



Sen. Michael E. Hastings

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10200HB1539sam001

LRB102 03555 HLH 39048 a

1 AMENDMENT TO HOUSE BILL 1539

2 AMENDMENT NO. _____. Amend House Bill 1539 by replacing
3 everything after the enacting clause with the following:

4 "ARTICLE 5. EDGE CREDIT

5 Section 5-5. The Economic Development for a Growing
6 Economy Tax Credit Act is amended by changing Sections 5-5,
7 5-15, 5-20, and 5-77 as follows:

8 (35 ILCS 10/5-5)

9 Sec. 5-5. Definitions. As used in this Act:

10 "Agreement" means the Agreement between a Taxpayer and the
11 Department under the provisions of Section 5-50 of this Act.

12 "Applicant" means a Taxpayer that is operating a business
13 located or that the Taxpayer plans to locate within the State
14 of Illinois and that is engaged in interstate or intrastate
15 commerce for the purpose of manufacturing, processing,

1 assembling, warehousing, or distributing products, conducting
2 research and development, providing tourism services, or
3 providing services in interstate commerce, office industries,
4 or agricultural processing, but excluding retail, retail food,
5 health, or professional services. "Applicant" does not include
6 a Taxpayer who closes or substantially reduces an operation at
7 one location in the State and relocates substantially the same
8 operation to another location in the State. This does not
9 prohibit a Taxpayer from expanding its operations at another
10 location in the State, provided that existing operations of a
11 similar nature located within the State are not closed or
12 substantially reduced. This also does not prohibit a Taxpayer
13 from moving its operations from one location in the State to
14 another location in the State for the purpose of expanding the
15 operation provided that the Department determines that
16 expansion cannot reasonably be accommodated within the
17 municipality in which the business is located, or in the case
18 of a business located in an incorporated area of the county,
19 within the county in which the business is located, after
20 conferring with the chief elected official of the municipality
21 or county and taking into consideration any evidence offered
22 by the municipality or county regarding the ability to
23 accommodate expansion within the municipality or county.

24 "Credit" means the amount agreed to between the Department
25 and Applicant under this Act, but not to exceed the lesser of:
26 (1) the sum of (i) 50% of the Incremental Income Tax

1 attributable to New Employees at the Applicant's project and
2 (ii) 10% of the training costs of New Employees; or (2) 100% of
3 the Incremental Income Tax attributable to New Employees at
4 the Applicant's project. However, if the project is located in
5 an underserved area, then the amount of the Credit may not
6 exceed the lesser of: (1) the sum of (i) 75% of the Incremental
7 Income Tax attributable to New Employees at the Applicant's
8 project and (ii) 10% of the training costs of New Employees; or
9 (2) 100% of the Incremental Income Tax attributable to New
10 Employees at the Applicant's project. If an Applicant agrees
11 to hire the required number of New Employees, then the maximum
12 amount of the Credit for that Applicant may be increased by an
13 amount not to exceed 25% of the Incremental Income Tax
14 attributable to retained employees at the Applicant's project;
15 provided that, in order to receive the increase for retained
16 employees, the Applicant must provide the additional evidence
17 required under paragraph (3) of subsection (b) of Section
18 5-25.

19 "Department" means the Department of Commerce and Economic
20 Opportunity.

21 "Director" means the Director of Commerce and Economic
22 Opportunity.

23 "Full-time Employee" means an individual who is employed
24 for consideration for at least 35 hours each week or who
25 renders any other standard of service generally accepted by
26 industry custom or practice as full-time employment. An

1 individual for whom a W-2 is issued by a Professional Employer
2 Organization (PEO) is a full-time employee if employed in the
3 service of the Applicant for consideration for at least 35
4 hours each week or who renders any other standard of service
5 generally accepted by industry custom or practice as full-time
6 employment to Applicant.

7 "Incremental Income Tax" means the total amount withheld
8 during the taxable year from the compensation of New Employees
9 and, if applicable, retained employees under Article 7 of the
10 Illinois Income Tax Act arising from employment at a project
11 that is the subject of an Agreement.

12 "New Construction EDGE Agreement" means the Agreement
13 between a Taxpayer and the Department under the provisions of
14 Section 5-51 of this Act.

15 "New Construction EDGE Credit" means an amount agreed to
16 between the Department and the Applicant under this Act as
17 part of a New Construction EDGE Agreement that does not exceed
18 50% of the Incremental Income Tax attributable to New
19 Construction EDGE Employees at the Applicant's project;
20 however, if the New Construction EDGE Project is located in an
21 underserved area, then the amount of the New Construction EDGE
22 Credit may not exceed 75% of the Incremental Income Tax
23 attributable to New Construction EDGE Employees at the
24 Applicant's New Construction EDGE Project.

25 "New Construction EDGE Employee" means a laborer or worker
26 who is employed by an Illinois contractor or subcontractor in

1 the actual construction work on the site of a New Construction
2 EDGE Project, pursuant to a New Construction EDGE Agreement.

3 "New Construction EDGE Incremental Income Tax" means the
4 total amount withheld during the taxable year from the
5 compensation of New Construction EDGE Employees.

6 "New Construction EDGE Project" means the building of a
7 Taxpayer's structure or building, or making improvements of
8 any kind to real property. "New Construction EDGE Project"
9 does not include the routine operation, routine repair, or
10 routine maintenance of existing structures, buildings, or real
11 property.

12 "New Employee" means:

13 (a) A Full-time Employee first employed by a Taxpayer
14 in the project that is the subject of an Agreement and who
15 is hired after the Taxpayer enters into the tax credit
16 Agreement.

17 (b) The term "New Employee" does not include:

18 (1) an employee of the Taxpayer who performs a job
19 that was previously performed by another employee, if
20 that job existed for at least 6 months before hiring
21 the employee;

22 (2) an employee of the Taxpayer who was previously
23 employed in Illinois by a Related Member of the
24 Taxpayer and whose employment was shifted to the
25 Taxpayer after the Taxpayer entered into the tax
26 credit Agreement; or

1 (3) a child, grandchild, parent, or spouse, other
2 than a spouse who is legally separated from the
3 individual, of any individual who has a direct or an
4 indirect ownership interest of at least 5% in the
5 profits, capital, or value of the Taxpayer.

6 (c) Notwithstanding paragraph (1) of subsection (b),
7 an employee may be considered a New Employee under the
8 Agreement if the employee performs a job that was
9 previously performed by an employee who was:

10 (1) treated under the Agreement as a New Employee;

11 and

12 (2) promoted by the Taxpayer to another job.

13 (d) Notwithstanding subsection (a), the Department may
14 award Credit to an Applicant with respect to an employee
15 hired prior to the date of the Agreement if:

16 (1) the Applicant is in receipt of a letter from
17 the Department stating an intent to enter into a
18 credit Agreement;

19 (2) the letter described in paragraph (1) is
20 issued by the Department not later than 15 days after
21 the effective date of this Act; and

22 (3) the employee was hired after the date the
23 letter described in paragraph (1) was issued.

24 "Noncompliance Date" means, in the case of a Taxpayer that
25 is not complying with the requirements of the Agreement or the
26 provisions of this Act, the day following the last date upon

1 which the Taxpayer was in compliance with the requirements of
2 the Agreement and the provisions of this Act, as determined by
3 the Director, pursuant to Section 5-65.

4 "Pass Through Entity" means an entity that is exempt from
5 the tax under subsection (b) or (c) of Section 205 of the
6 Illinois Income Tax Act.

7 "Professional Employer Organization" (PEO) means an
8 employee leasing company, as defined in Section 206.1(A)(2) of
9 the Illinois Unemployment Insurance Act.

10 "Related Member" means a person that, with respect to the
11 Taxpayer during any portion of the taxable year, is any one of
12 the following:

13 (1) An individual stockholder, if the stockholder and
14 the members of the stockholder's family (as defined in
15 Section 318 of the Internal Revenue Code) own directly,
16 indirectly, beneficially, or constructively, in the
17 aggregate, at least 50% of the value of the Taxpayer's
18 outstanding stock.

19 (2) A partnership, estate, or trust and any partner or
20 beneficiary, if the partnership, estate, or trust, and its
21 partners or beneficiaries own directly, indirectly,
22 beneficially, or constructively, in the aggregate, at
23 least 50% of the profits, capital, stock, or value of the
24 Taxpayer.

25 (3) A corporation, and any party related to the
26 corporation in a manner that would require an attribution

1 of stock from the corporation to the party or from the
2 party to the corporation under the attribution rules of
3 Section 318 of the Internal Revenue Code, if the Taxpayer
4 owns directly, indirectly, beneficially, or constructively
5 at least 50% of the value of the corporation's outstanding
6 stock.

7 (4) A corporation and any party related to that
8 corporation in a manner that would require an attribution
9 of stock from the corporation to the party or from the
10 party to the corporation under the attribution rules of
11 Section 318 of the Internal Revenue Code, if the
12 corporation and all such related parties own in the
13 aggregate at least 50% of the profits, capital, stock, or
14 value of the Taxpayer.

15 (5) A person to or from whom there is attribution of
16 stock ownership in accordance with Section 1563(e) of the
17 Internal Revenue Code, except, for purposes of determining
18 whether a person is a Related Member under this paragraph,
19 20% shall be substituted for 5% wherever 5% appears in
20 Section 1563(e) of the Internal Revenue Code.

21 "Startup taxpayer" means a corporation, partnership, or
22 other entity incorporated or organized no more than 5 years
23 before the filing of an application for an Agreement that has
24 never had any Illinois income tax liability, excluding any
25 Illinois income tax liability of a Related Member which shall
26 not be attributed to the startup taxpayer.

1 "Taxpayer" means an individual, corporation, partnership,
2 or other entity that has any Illinois Income Tax liability.

3 Until July 1, 2022, "underserved ~~"Underserved~~ area" means
4 a geographic area that meets one or more of the following
5 conditions:

6 (1) the area has a poverty rate of at least 20%
7 according to the latest federal decennial census;

8 (2) 75% or more of the children in the area
9 participate in the federal free lunch program according to
10 reported statistics from the State Board of Education;

11 (3) at least 20% of the households in the area receive
12 assistance under the Supplemental Nutrition Assistance
13 Program (SNAP); or

14 (4) the area has an average unemployment rate, as
15 determined by the Illinois Department of Employment
16 Security, that is more than 120% of the national
17 unemployment average, as determined by the U.S. Department
18 of Labor, for a period of at least 2 consecutive calendar
19 years preceding the date of the application.

20 On and after July 1, 2022, "underserved area" means a
21 geographic area that meets one or more of the following
22 conditions:

23 (1) the area has a poverty rate of at least 20%
24 according to the latest American Community Survey;

25 (2) 35% or more of the families with children in the
26 area are living below 130% of the poverty line, according

1 to the latest American Community Survey;

2 (3) at least 20% of the households in the area receive
3 assistance under the Supplemental Nutrition Assistance
4 Program (SNAP); or

5 (4) the area has an average unemployment rate, as
6 determined by the Illinois Department of Employment
7 Security, that is more than 120% of the national
8 unemployment average, as determined by the U.S. Department
9 of Labor, for a period of at least 2 consecutive calendar
10 years preceding the date of the application.

11 (Source: P.A. 101-9, eff. 6-5-19; 102-330, eff. 1-1-22.)

12 (35 ILCS 10/5-15)

13 Sec. 5-15. Tax Credit Awards. Subject to the conditions
14 set forth in this Act, a Taxpayer is entitled to a Credit
15 against or, as described in subsection (g) of this Section, a
16 payment towards taxes imposed pursuant to subsections (a) and
17 (b) of Section 201 of the Illinois Income Tax Act that may be
18 imposed on the Taxpayer for a taxable year beginning on or
19 after January 1, 1999, if the Taxpayer is awarded a Credit by
20 the Department under this Act for that taxable year.

21 (a) The Department shall make Credit awards under this Act
22 to foster job creation and retention in Illinois.

23 (b) A person that proposes a project to create new jobs in
24 Illinois must enter into an Agreement with the Department for
25 the Credit under this Act.

1 (c) The Credit shall be claimed for the taxable years
2 specified in the Agreement.

3 (d) The Credit shall not exceed the Incremental Income Tax
4 attributable to the project that is the subject of the
5 Agreement.

6 (e) Nothing herein shall prohibit a Tax Credit Award to an
7 Applicant that uses a PEO if all other award criteria are
8 satisfied.

9 (f) In lieu of the Credit allowed under this Act against
10 the taxes imposed pursuant to subsections (a) and (b) of
11 Section 201 of the Illinois Income Tax Act for any taxable year
12 ending on or after December 31, 2009, for Taxpayers that
13 entered into Agreements prior to January 1, 2015 and otherwise
14 meet the criteria set forth in this subsection (f), the
15 Taxpayer may elect to claim the Credit against its obligation
16 to pay over withholding under Section 704A of the Illinois
17 Income Tax Act.

18 (1) The election under this subsection (f) may be made
19 only by a Taxpayer that (i) is primarily engaged in one of
20 the following business activities: water purification and
21 treatment, motor vehicle metal stamping, automobile
22 manufacturing, automobile and light duty motor vehicle
23 manufacturing, motor vehicle manufacturing, light truck
24 and utility vehicle manufacturing, heavy duty truck
25 manufacturing, motor vehicle body manufacturing, cable
26 television infrastructure design or manufacturing, or

1 wireless telecommunication or computing terminal device
2 design or manufacturing for use on public networks and
3 (ii) meets the following criteria:

4 (A) the Taxpayer (i) had an Illinois net loss or an
5 Illinois net loss deduction under Section 207 of the
6 Illinois Income Tax Act for the taxable year in which
7 the Credit is awarded, (ii) employed a minimum of
8 1,000 full-time employees in this State during the
9 taxable year in which the Credit is awarded, (iii) has
10 an Agreement under this Act on December 14, 2009 (the
11 effective date of Public Act 96-834), and (iv) is in
12 compliance with all provisions of that Agreement;

13 (B) the Taxpayer (i) had an Illinois net loss or an
14 Illinois net loss deduction under Section 207 of the
15 Illinois Income Tax Act for the taxable year in which
16 the Credit is awarded, (ii) employed a minimum of
17 1,000 full-time employees in this State during the
18 taxable year in which the Credit is awarded, and (iii)
19 has applied for an Agreement within 365 days after
20 December 14, 2009 (the effective date of Public Act
21 96-834);

22 (C) the Taxpayer (i) had an Illinois net operating
23 loss carryforward under Section 207 of the Illinois
24 Income Tax Act in a taxable year ending during
25 calendar year 2008, (ii) has applied for an Agreement
26 within 150 days after the effective date of this

1 amendatory Act of the 96th General Assembly, (iii)
2 creates at least 400 new jobs in Illinois, (iv)
3 retains at least 2,000 jobs in Illinois that would
4 have been at risk of relocation out of Illinois over a
5 10-year period, and (v) makes a capital investment of
6 at least \$75,000,000;

7 (D) the Taxpayer (i) had an Illinois net operating
8 loss carryforward under Section 207 of the Illinois
9 Income Tax Act in a taxable year ending during
10 calendar year 2009, (ii) has applied for an Agreement
11 within 150 days after the effective date of this
12 amendatory Act of the 96th General Assembly, (iii)
13 creates at least 150 new jobs, (iv) retains at least
14 1,000 jobs in Illinois that would have been at risk of
15 relocation out of Illinois over a 10-year period, and
16 (v) makes a capital investment of at least
17 \$57,000,000; or

18 (E) the Taxpayer (i) employed at least 2,500
19 full-time employees in the State during the year in
20 which the Credit is awarded, (ii) commits to make at
21 least \$500,000,000 in combined capital improvements
22 and project costs under the Agreement, (iii) applies
23 for an Agreement between January 1, 2011 and June 30,
24 2011, (iv) executes an Agreement for the Credit during
25 calendar year 2011, and (v) was incorporated no more
26 than 5 years before the filing of an application for an

1 Agreement.

2 (1.5) The election under this subsection (f) may also
3 be made by a Taxpayer for any Credit awarded pursuant to an
4 agreement that was executed between January 1, 2011 and
5 June 30, 2011, if the Taxpayer (i) is primarily engaged in
6 the manufacture of inner tubes or tires, or both, from
7 natural and synthetic rubber, (ii) employs a minimum of
8 2,400 full-time employees in Illinois at the time of
9 application, (iii) creates at least 350 full-time jobs and
10 retains at least 250 full-time jobs in Illinois that would
11 have been at risk of being created or retained outside of
12 Illinois, and (iv) makes a capital investment of at least
13 \$200,000,000 at the project location.

14 (1.6) The election under this subsection (f) may also
15 be made by a Taxpayer for any Credit awarded pursuant to an
16 agreement that was executed within 150 days after the
17 effective date of this amendatory Act of the 97th General
18 Assembly, if the Taxpayer (i) is primarily engaged in the
19 operation of a discount department store, (ii) maintains
20 its corporate headquarters in Illinois, (iii) employs a
21 minimum of 4,250 full-time employees at its corporate
22 headquarters in Illinois at the time of application, (iv)
23 retains at least 4,250 full-time jobs in Illinois that
24 would have been at risk of being relocated outside of
25 Illinois, (v) had a minimum of \$40,000,000,000 in total
26 revenue in 2010, and (vi) makes a capital investment of at

1 least \$300,000,000 at the project location.

2 (1.7) Notwithstanding any other provision of law, the
3 election under this subsection (f) may also be made by a
4 Taxpayer for any Credit awarded pursuant to an agreement
5 that was executed or applied for on or after July 1, 2011
6 and on or before March 31, 2012, if the Taxpayer is
7 primarily engaged in the manufacture of original and
8 aftermarket filtration parts and products for automobiles,
9 motor vehicles, light duty motor vehicles, light trucks
10 and utility vehicles, and heavy duty trucks, (ii) employs
11 a minimum of 1,000 full-time employees in Illinois at the
12 time of application, (iii) creates at least 250 full-time
13 jobs in Illinois, (iv) relocates its corporate
14 headquarters to Illinois from another state, and (v) makes
15 a capital investment of at least \$4,000,000 at the project
16 location.

17 (1.8) Notwithstanding any other provision of law, the
18 election under this subsection (f) may also be made by a
19 startup taxpayer for any Credit awarded pursuant to an
20 Agreement that was executed or applied for on or after the
21 effective date of this amendatory Act of the 102nd General
22 Assembly, if the startup taxpayer, without considering any
23 Related Member or other investor, (i) has never had any
24 Illinois income tax liability and (ii) was incorporated no
25 more than 5 years before the filing of an application for
26 an Agreement. Any such election under this paragraph (1.8)

1 shall be effective unless and until such startup taxpayer
2 has any Illinois income tax liability. This election under
3 this paragraph (1.8) shall automatically terminate when
4 the startup taxpayer has any Illinois income tax liability
5 at the end of any taxable year during the term of the
6 Agreement. Thereafter, the startup taxpayer may receive a
7 Credit, taking into account any benefits previously
8 enjoyed or received by way of the election under this
9 paragraph (1.8), so long as the startup taxpayer remains
10 in compliance with the terms and conditions of the
11 Agreement.

12 (2) An election under this subsection shall allow the
13 credit to be taken against payments otherwise due under
14 Section 704A of the Illinois Income Tax Act during the
15 first calendar year beginning after the end of the taxable
16 year in which the credit is awarded under this Act.

17 (3) The election shall be made in the form and manner
18 required by the Illinois Department of Revenue and, once
19 made, shall be irrevocable.

20 (4) If a Taxpayer who meets the requirements of
21 subparagraph (A) of paragraph (1) of this subsection (f)
22 elects to claim the Credit against its withholdings as
23 provided in this subsection (f), then, on and after the
24 date of the election, the terms of the Agreement between
25 the Taxpayer and the Department may not be further amended
26 during the term of the Agreement.

1 (g) A pass-through entity that has been awarded a credit
2 under this Act, its shareholders, or its partners may treat
3 some or all of the credit awarded pursuant to this Act as a tax
4 payment for purposes of the Illinois Income Tax Act. The term
5 "tax payment" means a payment as described in Article 6 or
6 Article 8 of the Illinois Income Tax Act or a composite payment
7 made by a pass-through entity on behalf of any of its
8 shareholders or partners to satisfy such shareholders' or
9 partners' taxes imposed pursuant to subsections (a) and (b) of
10 Section 201 of the Illinois Income Tax Act. In no event shall
11 the amount of the award credited pursuant to this Act exceed
12 the Illinois income tax liability of the pass-through entity
13 or its shareholders or partners for the taxable year.

14 (Source: P.A. 100-511, eff. 9-18-17.)

15 (35 ILCS 10/5-20)

16 Sec. 5-20. Application for a project to create and retain
17 new jobs.

18 (a) Any Taxpayer proposing a project located or planned to
19 be located in Illinois may request consideration for
20 designation of its project, by formal written letter of
21 request or by formal application to the Department, in which
22 the Applicant states its intent to make at least a specified
23 level of investment and intends to hire or retain a specified
24 number of full-time employees at a designated location in
25 Illinois. As circumstances require, the Department may require

1 a formal application from an Applicant and a formal letter of
2 request for assistance.

3 (b) In order to qualify for Credits under this Act, an
4 Applicant's project must:

5 (1) if the Applicant has more than 100 employees,
6 involve an investment of at least \$2,500,000 in capital
7 improvements to be placed in service within the State as a
8 direct result of the project; if the Applicant has 100 or
9 fewer employees, then there is no capital investment
10 requirement;

11 (1.5) if the Applicant has more than 100 employees,
12 employ a number of new employees in the State equal to the
13 lesser of (A) 10% of the number of full-time employees
14 employed by the applicant world-wide on the date the
15 application is filed with the Department or (B) 50 New
16 Employees; and, if the Applicant has 100 or fewer
17 employees, employ a number of new employees in the State
18 equal to the lesser of (A) 5% of the number of full-time
19 employees employed by the applicant world-wide on the date
20 the application is filed with the Department or (B) 50 New
21 Employees;

22 (1.6) if the Applicant is a startup taxpayer, the
23 employees employed by Related Members shall not be
24 attributed to the Applicant for purposes of determining
25 the capital investment or job creation requirements under
26 this subsection (b);

1 (2) (blank);

2 (3) (blank); and

3 (4) include an annual sexual harassment policy report
4 as provided under Section 5-58.

5 (c) After receipt of an application, the Department may
6 enter into an Agreement with the Applicant if the application
7 is accepted in accordance with Section 5-25.

8 (Source: P.A. 100-511, eff. 9-18-17; 100-698, eff. 1-1-19;
9 101-81, eff. 7-12-19.)

10 (35 ILCS 10/5-77)

11 Sec. 5-77. Sunset of new Agreements. The Department shall
12 not enter into any new Agreements under the provisions of
13 Section 5-50 of this Act after June 30, 2027 ~~June 30, 2022~~.

14 (Source: P.A. 99-925, eff. 1-20-17; 100-511, eff. 9-18-17.)

15 Section 5-10. The River Edge Redevelopment Zone Act is
16 amended by changing Section 10-3 as follows:

17 (65 ILCS 115/10-3)

18 Sec. 10-3. Definitions. As used in this Act:

19 "Department" means the Department of Commerce and Economic
20 Opportunity.

21 "River Edge Redevelopment Zone" means an area of the State
22 certified by the Department as a River Edge Redevelopment Zone
23 pursuant to this Act.

1 "Designated zone organization" means an association or
2 entity: (1) the members of which are substantially all
3 residents of the River Edge Redevelopment Zone or of the
4 municipality in which the River Edge Redevelopment Zone is
5 located; (2) the board of directors of which is elected by the
6 members of the organization; (3) that satisfies the criteria
7 set forth in Section 501(c) (3) or 501(c) (4) of the Internal
8 Revenue Code; and (4) that exists primarily for the purpose of
9 performing within the zone, for the benefit of the residents
10 and businesses thereof, any of the functions set forth in
11 Section 8 of this Act.

12 "Incremental income tax" means the total amount withheld
13 during the taxable year from the compensation of River Edge
14 Construction Jobs Employees.

15 "Agency" means: each officer, board, commission, and
16 agency created by the Constitution, in the executive branch of
17 State government, other than the State Board of Elections;
18 each officer, department, board, commission, agency,
19 institution, authority, university, and body politic and
20 corporate of the State; each administrative unit or corporate
21 outgrowth of the State government that is created by or
22 pursuant to statute, other than units of local government and
23 their officers, school districts, and boards of election
24 commissioners; and each administrative unit or corporate
25 outgrowth of the above and as may be created by executive order
26 of the Governor. No entity is an "agency" for the purposes of

1 this Act unless the entity is authorized by law to make rules
2 or regulations.

3 "River Edge construction jobs credit" means an amount
4 equal to 50% of the incremental income tax attributable to
5 River Edge construction employees employed on a River Edge
6 construction jobs project. However, the amount may equal 75%
7 of the incremental income tax attributable to River Edge
8 construction employees employed on a River Edge construction
9 jobs project located in an underserved area. The total
10 aggregate amount of credits awarded under the Blue Collar Jobs
11 Act (Article 20 of this amendatory Act of the 101st General
12 Assembly) shall not exceed \$20,000,000 in any State fiscal
13 year.

14 "River Edge construction jobs employee" means a laborer or
15 worker who is employed by an Illinois contractor or
16 subcontractor in the actual construction work on the site of a
17 River Edge construction jobs project.

18 "River Edge construction jobs project" means building a
19 structure or building, or making improvements of any kind to
20 real property, in a River Edge Redevelopment Zone that is
21 built or improved in the course of completing a qualified
22 rehabilitation plan. "River Edge construction jobs project"
23 does not include the routine operation, routine repair, or
24 routine maintenance of existing structures, buildings, or real
25 property.

26 "Rule" means each agency statement of general

1 applicability that implements, applies, interprets, or
2 prescribes law or policy, but does not include (i) statements
3 concerning only the internal management of an agency and not
4 affecting private rights or procedures available to persons or
5 entities outside the agency, (ii) intra-agency memoranda, or
6 (iii) the prescription of standardized forms.

7 Until July 1, 2022, "underserved"~~"Underserved"~~ area" means
8 a geographic area that meets one or more of the following
9 conditions:

10 (1) the area has a poverty rate of at least 20%
11 according to the latest federal decennial census;

12 (2) 75% or more of the children in the area
13 participate in the federal free lunch program according to
14 reported statistics from the State Board of Education;

15 (3) at least 20% of the households in the area receive
16 assistance under the Supplemental Nutrition Assistance
17 Program (SNAP); or

18 (4) the area has an average unemployment rate, as
19 determined by the Illinois Department of Employment
20 Security, that is more than 120% of the national
21 unemployment average, as determined by the U.S. Department
22 of Labor, for a period of at least 2 consecutive calendar
23 years preceding the date of the application.

24 Beginning July 1, 2022, "Underserved area" means a
25 geographic area that meets one or more of the following
26 conditions:

1 (1) the area has a poverty rate of at least 20%
2 according to the latest American Community Survey;

3 (2) 35% or more of the families with children in the
4 area are living below 130% of the poverty line, according
5 to the latest American Community Survey;

6 (3) at least 20% of the households in the area receive
7 assistance under the Supplemental Nutrition Assistance
8 Program (SNAP); or

9 (4) the area has an average unemployment rate, as
10 determined by the Illinois Department of Employment
11 Security, that is more than 120% of the national
12 unemployment average, as determined by the U.S. Department
13 of Labor, for a period of at least 2 consecutive calendar
14 years preceding the date of the application.

15 (Source: P.A. 101-9, eff. 6-5-19.)

16 ARTICLE 10. FILM PRODUCTION TAX CREDIT

17 Section 10-5. The Illinois Income Tax Act is amended by
18 changing Section 213 as follows:

19 (35 ILCS 5/213)

20 Sec. 213. Film production services credit. For tax years
21 beginning on or after January 1, 2004, a taxpayer who has been
22 awarded a tax credit under the Film Production Services Tax
23 Credit Act or under the Film Production Services Tax Credit

1 Act of 2008 is entitled to a credit against the taxes imposed
2 under subsections (a) and (b) of Section 201 of this Act in an
3 amount determined by the Department of Commerce and Economic
4 Opportunity under those Acts. If the taxpayer is a partnership
5 or Subchapter S corporation, the credit is allowed to the
6 partners or shareholders in accordance with the determination
7 of income and distributive share of income under Sections 702
8 and 704 and Subchapter S of the Internal Revenue Code.

9 A transfer of this credit may be made by the taxpayer
10 earning the credit within one year after the credit is awarded
11 in accordance with rules adopted by the Department of Commerce
12 and Economic Opportunity. Beginning July 1, 2023, if a credit
13 is transferred under this Section by the taxpayer, then the
14 transferor taxpayer shall pay to the Department of Commerce
15 and Economic Opportunity, upon notification of a transfer, a
16 fee equal to 2.5% of the transferred credit amount eligible
17 for nonresident wages, as described in Section 10 of the Film
18 Production Services Tax Credit Act of 2008, and an additional
19 fee of 0.25% of the total amount of the transferred credit that
20 is not calculated on nonresident wages, which shall be
21 deposited into the Illinois Production Workforce Development
22 Fund.

23 The Department, in cooperation with the Department of
24 Commerce and Economic Opportunity, must prescribe rules to
25 enforce and administer the provisions of this Section. This
26 Section is exempt from the provisions of Section 250 of this

1 Act.

2 The credit may not be carried back. If the amount of the
3 credit exceeds the tax liability for the year, the excess may
4 be carried forward and applied to the tax liability of the 5
5 taxable years following the excess credit year. The credit
6 shall be applied to the earliest year for which there is a tax
7 liability. If there are credits from more than one tax year
8 that are available to offset a liability, the earlier credit
9 shall be applied first. In no event shall a credit under this
10 Section reduce the taxpayer's liability to less than zero.

11 (Source: P.A. 94-171, eff. 7-11-05; 95-720, eff. 5-27-08.)

12 Section 10-10. The Film Production Services Tax Credit Act
13 of 2008 is amended by changing Sections 10 and 42 and by adding
14 Section 46 as follows:

15 (35 ILCS 16/10)

16 Sec. 10. Definitions. As used in this Act:

17 "Accredited production" means: (i) for productions
18 commencing before May 1, 2006, a film, video, or television
19 production that has been certified by the Department in which
20 the aggregate Illinois labor expenditures included in the cost
21 of the production, in the period that ends 12 months after the
22 time principal filming or taping of the production began,
23 exceed \$100,000 for productions of 30 minutes or longer, or
24 \$50,000 for productions of less than 30 minutes; and (ii) for

1 productions commencing on or after May 1, 2006, a film, video,
2 or television production that has been certified by the
3 Department in which the Illinois production spending included
4 in the cost of production in the period that ends 12 months
5 after the time principal filming or taping of the production
6 began exceeds \$100,000 for productions of 30 minutes or longer
7 or exceeds \$50,000 for productions of less than 30 minutes.

8 "Accredited production" does not include a production that:

9 (1) is news, current events, or public programming, or
10 a program that includes weather or market reports;

11 (2) is a talk show;

12 (3) is a production in respect of a game,
13 questionnaire, or contest;

14 (4) is a sports event or activity;

15 (5) is a gala presentation or awards show;

16 (6) is a finished production that solicits funds;

17 (7) is a production produced by a film production
18 company if records, as required by 18 U.S.C. 2257, are to
19 be maintained by that film production company with respect
20 to any performer portrayed in that single media or
21 multimedia program; or

22 (8) is a production produced primarily for industrial,
23 corporate, or institutional purposes.

24 "Accredited animated production" means an accredited
25 production in which movement and characters' performances are
26 created using a frame-by-frame technique and a significant

1 number of major characters are animated. Motion capture by
2 itself is not an animation technique.

3 "Accredited production certificate" means a certificate
4 issued by the Department certifying that the production is an
5 accredited production that meets the guidelines of this Act.

6 "Applicant" means a taxpayer that is a film production
7 company that is operating or has operated an accredited
8 production located within the State of Illinois and that (i)
9 owns the copyright in the accredited production throughout the
10 Illinois production period or (ii) has contracted directly
11 with the owner of the copyright in the accredited production
12 or a person acting on behalf of the owner to provide services
13 for the production, where the owner of the copyright is not an
14 eligible production corporation.

15 "Credit" means:

16 (1) for an accredited production approved by the
17 Department on or before January 1, 2005 and commencing
18 before May 1, 2006, the amount equal to 25% of the Illinois
19 labor expenditure approved by the Department. The
20 applicant is deemed to have paid, on its balance due day
21 for the year, an amount equal to 25% of its qualified
22 Illinois labor expenditure for the tax year. For Illinois
23 labor expenditures generated by the employment of
24 residents of geographic areas of high poverty or high
25 unemployment, as determined by the Department, in an
26 accredited production commencing before May 1, 2006 and

1 approved by the Department after January 1, 2005, the
2 applicant shall receive an enhanced credit of 10% in
3 addition to the 25% credit; and

4 (2) for an accredited production commencing on or
5 after May 1, 2006, the amount equal to:

6 (i) 20% of the Illinois production spending for
7 the taxable year; plus

8 (ii) 15% of the Illinois labor expenditures
9 generated by the employment of residents of geographic
10 areas of high poverty or high unemployment, as
11 determined by the Department; and

12 (3) for an accredited production commencing on or
13 after January 1, 2009, the amount equal to:

14 (i) 30% of the Illinois production spending for
15 the taxable year; plus

16 (ii) 15% of the Illinois labor expenditures
17 generated by the employment of residents of geographic
18 areas of high poverty or high unemployment, as
19 determined by the Department.

20 "Department" means the Department of Commerce and Economic
21 Opportunity.

22 "Director" means the Director of Commerce and Economic
23 Opportunity.

24 "Illinois labor expenditure" means salary or wages paid to
25 employees of the applicant for services on the accredited
26 production.

1 To qualify as an Illinois labor expenditure, the
2 expenditure must be:

3 (1) Reasonable in the circumstances.

4 (2) Included in the federal income tax basis of the
5 property.

6 (3) Incurred by the applicant for services on or after
7 January 1, 2004.

8 (4) Incurred for the production stages of the
9 accredited production, from the final script stage to the
10 end of the post-production stage.

11 (5) Limited to the first \$25,000 of wages paid or
12 incurred to each employee of a production commencing
13 before May 1, 2006 and the first \$100,000 of wages paid or
14 incurred to each employee of a production commencing on or
15 after May 1, 2006 and prior to July 1, 2022. For
16 productions commencing on or after July 1, 2022, limited
17 to the first \$500,000 of wages paid or incurred to each
18 nonresident or resident employee of a production company
19 or loan out company that provides in-State services to a
20 production, whether those wages are paid or incurred by
21 the production company, loan out company, or both, subject
22 to withholding payments provided for in Article 7 of the
23 Illinois Income Tax Act. For purposes of calculating
24 Illinois labor expenditures for a television series, the
25 nonresident wage limitations provided under this
26 subparagraph are applied to the entire season.

1 (6) For a production commencing before May 1, 2006,
2 exclusive of the salary or wages paid to or incurred for
3 the 2 highest paid employees of the production.

4 (7) Directly attributable to the accredited
5 production.

6 (8) (Blank).

7 (9) Prior to July 1, 2022, paid ~~Paid~~ to persons
8 resident in Illinois at the time the payments were made.
9 For a production commencing on or after July 1, 2022, paid
10 to persons resident in Illinois and nonresidents at the
11 time the payments were made. For purposes of this
12 subparagraph, only wages paid to nonresidents working in
13 the following positions shall be considered Illinois labor
14 expenditures: Writer, Director, Director of Photography,
15 Production Designer, Costume Designer, Production
16 Accountant, VFX Supervisor, Editor, Composer, and Actor,
17 subject to the limitations set forth under this
18 subparagraph. For an accredited Illinois production
19 spending of \$25,000,000 or less, no more than 2
20 nonresident actors' wages shall qualify as an Illinois
21 labor expenditure. For an accredited production with
22 Illinois production spending of more than \$25,000,000, no
23 more than 4 nonresident actor's wages shall qualify as
24 Illinois labor expenditures.

25 (10) Paid for services rendered in Illinois.

26 "Illinois production spending" means the expenses incurred

1 by the applicant for an accredited production, including,
2 without limitation, all of the following:

3 (1) expenses to purchase, from vendors within
4 Illinois, tangible personal property that is used in the
5 accredited production;

6 (2) expenses to acquire services, from vendors in
7 Illinois, for film production, editing, or processing; and

8 (3) for a production commencing before July 1, 2022,
9 the compensation, not to exceed \$100,000 for any one
10 employee, for contractual or salaried employees who are
11 Illinois residents performing services with respect to the
12 accredited production. For a production commencing on or
13 after July 1, 2022, the compensation, not to exceed
14 \$500,000 for any one employee, for contractual or salaried
15 employees who are Illinois residents or nonresident
16 employees, subject to the limitations set forth under
17 Section 10 of this Act.

18 "Loan out company" means a personal service corporation or
19 other entity that is under contract with the taxpayer to
20 provide specified individual personnel, such as artists, crew,
21 actors, producers, or directors for the performance of
22 services used directly in a production. "Loan out company"
23 does not include entities contracted with by the taxpayer to
24 provide goods or ancillary contractor services such as
25 catering, construction, trailers, equipment, or
26 transportation.

1 "Qualified production facility" means stage facilities in
2 the State in which television shows and films are or are
3 intended to be regularly produced and that contain at least
4 one sound stage of at least 15,000 square feet.

5 Rulemaking authority to implement Public Act 95-1006, if
6 any, is conditioned on the rules being adopted in accordance
7 with all provisions of the Illinois Administrative Procedure
8 Act and all rules and procedures of the Joint Committee on
9 Administrative Rules; any purported rule not so adopted, for
10 whatever reason, is unauthorized.

11 (Source: P.A. 102-558, eff. 8-20-21.)

12 (35 ILCS 16/42)

13 Sec. 42. Sunset of credits. The application of credits
14 awarded pursuant to this Act shall be limited by a reasonable
15 and appropriate sunset date. A taxpayer shall not be awarded
16 any new credits ~~entitled to take a credit awarded~~ pursuant to
17 this Act for tax years beginning on or after January 1, 2027.

18 (Source: P.A. 101-178, eff. 8-1-19.)

19 (35 ILCS 16/46 new)

20 Sec. 46. Illinois Production Workforce Development Fund.

21 (a) The Illinois Production Workforce Development Fund is
22 created as a special fund in the State Treasury. Beginning
23 July 1, 2022, amounts paid to the Department of Commerce and
24 Economic Opportunity pursuant to Section 213 of the Illinois

1 Income Tax Act shall be deposited into the Fund. The Fund shall
2 be used exclusively to provide grants to community-based
3 organizations, labor organizations, private and public
4 universities, community colleges, and other organizations and
5 institutions that may be deemed appropriate by the Department
6 to administer workforce training programs that support efforts
7 to recruit, hire, promote, retain, develop, and train a
8 diverse and inclusive workforce in the film industry.

9 (b) Pursuant to Section 213 of the Illinois Income Tax
10 Act, the Fund shall receive deposits in amounts not to exceed
11 0.25% of the amount of each credit certificate issued that is
12 not calculated on out-of-state wages and transferred or
13 claimed on an Illinois tax return in the quarter such credit
14 was transferred or claimed. In addition, such amount shall
15 also include 2.5% of the credit amount calculated on wages
16 paid to nonresidents that is transferred or claimed on an
17 Illinois tax return in the quarter such credit was transferred
18 or claimed.

19 (c) At the request of the Department, the State
20 Comptroller and the State Treasurer may advance amounts to the
21 Fund on an annual basis not to exceed \$1,000,000 in any fiscal
22 year. The fund from which the moneys are advanced shall be
23 reimbursed in the same fiscal year for any such advance
24 payments as described in this Section. The method of
25 reimbursement shall be set forth in rules.

26 (d) Of the appropriated funds in a given fiscal year, 50%

1 of the appropriated funds shall be reserved for organizations
2 that meet one of the following criteria. The organization is:
3 (1) a minority-owned business, as defined by the Business
4 Enterprise for Minorities, Women, and Persons with
5 Disabilities Act; (2) located in an underserved area, as
6 defined by the Economic Development for a Growing Economy Tax
7 Credit Act; or (3) on an annual basis, training a cohort of
8 program participants where at least 50% of the program
9 participants are either a minority person, as defined by the
10 Business Enterprise for Minorities, Women, and Persons with
11 Disabilities Act, or reside in an underserved area, as defined
12 by the Economic Development for a Growing Economy Tax Credit
13 Act.

14 (e) The Illinois Production Workforce Development Fund
15 shall be administered by the Department. The Department may
16 adopt rules necessary to administer the provisions of this
17 Section.

18 (f) Notwithstanding any other law to the contrary, the
19 Illinois Production Workforce Development Fund is not subject
20 to sweeps, administrative charge-backs, or any other fiscal or
21 budgetary maneuver that would in any way transfer any amounts
22 from the Illinois Production Workforce Development Fund.

23 (g) By June 30 of each fiscal year, the Department must
24 submit to the General Assembly a report that includes the
25 following information: (1) an identification of the
26 organizations and institutions that received funding to

1 administer workforce training programs during the fiscal year;
2 (2) the number of total persons trained and the number of
3 persons trained per workforce training program in the fiscal
4 year; and (3) in the aggregate, per organization, the number
5 of persons identified as a minority person or that reside in an
6 underserved area that received training in the fiscal year.

7 Section 10-90. The State Finance Act is amended by adding
8 Section 5.970 as follows:

9 (30 ILCS 105/5.970 new)

10 Sec. 5.970. The Illinois Production Workforce Development
11 Fund.

12 ARTICLE 15. LIVE THEATER TAX CREDIT

13 Section 15-5. The Live Theater Production Tax Credit Act
14 is amended by changing Section 10-20 as follows:

15 (35 ILCS 17/10-20)

16 Sec. 10-20. Tax credit award. Subject to the conditions
17 set forth in this Act, an applicant is entitled to a tax credit
18 award as approved by the Department for qualifying Illinois
19 labor expenditures and Illinois production spending for each
20 tax year in which the applicant is awarded an accredited
21 theater production certificate issued by the Department. The

1 amount of tax credits awarded pursuant to this Act shall not
2 exceed \$2,000,000 for State fiscal years ending on or before
3 June 30, 2022 and ending on or after June 30, 2024. Due to the
4 impact of the COVID-19 pandemic, for the State fiscal year
5 ending on June 30, 2023, the amount of tax credits awarded
6 pursuant to this Act shall not exceed \$4,000,000. For the
7 State fiscal year ending on June 30, 2023, credits awarded
8 under this Act in excess of \$2,000,000 must be awarded to
9 applicants with Illinois production spending of not less than
10 \$2,500,000, as shown on the applicant's application for the
11 credit. ~~in any fiscal year.~~ Credits shall be awarded on a
12 first-come, first-served basis. Notwithstanding the foregoing,
13 if the amount of credits applied for in any fiscal year exceeds
14 the amount authorized to be awarded under this Section, the
15 excess credit amount shall be awarded in the next fiscal year
16 in which credits remain available for award and shall be
17 treated as having been applied for on the first day of that
18 fiscal year.

19 (Source: P.A. 97-636, eff. 6-1-12.)

20 ARTICLE 20. BIODIESEL

21 Section 20-5. The Use Tax Act is amended by changing
22 Sections 3-10 and 3-41 and by adding Sections 3-5.1 and 3-42.5
23 as follows:

1 (35 ILCS 105/3-5.1 new)

2 Sec. 3-5.1. Biodiesel, renewable diesel, and biodiesel
3 blends.

4 (a) On and after January 1, 2024 and on or before December
5 31, 2030, the taxes imposed by this Act, the Service Use Tax
6 Act, the Service Occupation Tax Act, or the Retailers'
7 Occupation Tax Act apply to 100% of the proceeds of sales of
8 (i) biodiesel blends with no less than 1% and no more than 10%
9 of biodiesel and (ii) any diesel fuel containing no less than
10 1% and no more than 10% of renewable diesel.

11 (b) From January 1, 2024 through March 31, 2024, the taxes
12 imposed by this Act, the Service Use Tax Act, the Service
13 Occupation Tax Act, or the Retailers' Occupation Tax Act do
14 not apply to the proceeds of sales of any diesel fuel
15 containing more than 10% biodiesel or renewable diesel.

16 (c) From April 1, 2024 through November 30, 2024, the
17 taxes imposed by this Act, the Service Use Tax Act, the Service
18 Occupation Tax Act, or the Retailers' Occupation Tax Act do
19 not apply to the proceeds of sales of any diesel fuel
20 containing more than 13% biodiesel or renewable diesel.

21 (d) From December 1, 2024 through March 31, 2025, the
22 taxes imposed by this Act, the Service Use Tax Act, the Service
23 Occupation Tax Act, or the Retailers' Occupation Tax Act do
24 not apply to the proceeds of sales of any diesel fuel
25 containing more than 10% biodiesel or renewable diesel.

26 (e) From April 1, 2025 through November 30, 2025, the

1 taxes imposed by this Act, the Service Use Tax Act, the Service
2 Occupation Tax Act, or the Retailers' Occupation Tax Act do
3 not apply to the proceeds of sales of any diesel fuel
4 containing more than 16% biodiesel or renewable diesel.

5 (f) From December 1, 2025 through March 31, 2026, the
6 taxes imposed by this Act, the Service Use Tax Act, the Service
7 Occupation Tax Act, or the Retailers' Occupation Tax Act do
8 not apply to the proceeds of sales of any diesel fuel
9 containing more than 10% biodiesel or renewable diesel.

10 (g) On and after April 1, 2026 and on or before November
11 30, 2030, the taxes imposed by this Act, the Service Use Tax
12 Act, the Service Occupation Tax Act, or the Retailers'
13 Occupation Tax Act do not apply to the proceeds of sales of any
14 diesel fuel containing more than 19% biodiesel or renewable
15 diesel; except that, from December 1 of calendar years 2026,
16 2027, 2028, and 2029 through March 31 of the following
17 calendar year, and from December 1, 2030 through December 31,
18 2030, the taxes imposed by this Act, the Service Use Tax Act,
19 the Service Occupation Tax Act, or the Retailers' Occupation
20 Tax Act do not apply to the proceeds of sales of any diesel
21 fuel containing more than 10% biodiesel or renewable diesel.

22 (h) This Section is exempt from the provisions of Section
23 3-90 of this Act, Section 3-75 of the Service Use Tax Act,
24 Section 3-55 of the Service Occupation Tax Act, and Section
25 2-70 of the Retailers' Occupation Tax Act.

1 (35 ILCS 105/3-10)

2 Sec. 3-10. Rate of tax. Unless otherwise provided in this
3 Section, the tax imposed by this Act is at the rate of 6.25% of
4 either the selling price or the fair market value, if any, of
5 the tangible personal property. In all cases where property
6 functionally used or consumed is the same as the property that
7 was purchased at retail, then the tax is imposed on the selling
8 price of the property. In all cases where property
9 functionally used or consumed is a by-product or waste product
10 that has been refined, manufactured, or produced from property
11 purchased at retail, then the tax is imposed on the lower of
12 the fair market value, if any, of the specific property so used
13 in this State or on the selling price of the property purchased
14 at retail. For purposes of this Section "fair market value"
15 means the price at which property would change hands between a
16 willing buyer and a willing seller, neither being under any
17 compulsion to buy or sell and both having reasonable knowledge
18 of the relevant facts. The fair market value shall be
19 established by Illinois sales by the taxpayer of the same
20 property as that functionally used or consumed, or if there
21 are no such sales by the taxpayer, then comparable sales or
22 purchases of property of like kind and character in Illinois.

23 Beginning on July 1, 2000 and through December 31, 2000,
24 with respect to motor fuel, as defined in Section 1.1 of the
25 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of
26 the Use Tax Act, the tax is imposed at the rate of 1.25%.

1 Beginning on August 6, 2010 through August 15, 2010, with
2 respect to sales tax holiday items as defined in Section 3-6 of
3 this Act, the tax is imposed at the rate of 1.25%.

4 With respect to gasohol, the tax imposed by this Act
5 applies to (i) 70% of the proceeds of sales made on or after
6 January 1, 1990, and before July 1, 2003, (ii) 80% of the
7 proceeds of sales made on or after July 1, 2003 and on or
8 before July 1, 2017, and (iii) 100% of the proceeds of sales
9 made thereafter. If, at any time, however, the tax under this
10 Act on sales of gasohol is imposed at the rate of 1.25%, then
11 the tax imposed by this Act applies to 100% of the proceeds of
12 sales of gasohol made during that time.

13 With respect to majority blended ethanol fuel, the tax
14 imposed by this Act does not apply to the proceeds of sales
15 made on or after July 1, 2003 and on or before December 31,
16 2023 but applies to 100% of the proceeds of sales made
17 thereafter.

18 With respect to biodiesel blends with no less than 1% and
19 no more than 10% biodiesel, the tax imposed by this Act applies
20 to (i) 80% of the proceeds of sales made on or after July 1,
21 2003 and on or before December 31, 2018 and (ii) 100% of the
22 proceeds of sales made after December 31, 2018 and before
23 January 1, 2024. On and after January 1, 2024 and on or before
24 December 31, 2030, the taxation of biodiesel, renewable
25 diesel, and biodiesel blends shall be as provided in Section
26 3-5.1 ~~thereafter~~. If, at any time, however, the tax under this

1 Act on sales of biodiesel blends with no less than 1% and no
2 more than 10% biodiesel is imposed at the rate of 1.25%, then
3 the tax imposed by this Act applies to 100% of the proceeds of
4 sales of biodiesel blends with no less than 1% and no more than
5 10% biodiesel made during that time.

6 With respect to ~~100%~~ biodiesel and biodiesel blends with
7 more than 10% but no more than 99% biodiesel, the tax imposed
8 by this Act does not apply to the proceeds of sales made on or
9 after July 1, 2003 and on or before December 31, 2023 ~~but~~
10 ~~applies to 100% of the proceeds of sales made thereafter.~~ On
11 and after January 1, 2024 and on or before December 31, 2030,
12 the taxation of biodiesel, renewable diesel, and biodiesel
13 blends shall be as provided in Section 3-5.1.

14 With respect to food for human consumption that is to be
15 consumed off the premises where it is sold (other than
16 alcoholic beverages, food consisting of or infused with adult
17 use cannabis, soft drinks, and food that has been prepared for
18 immediate consumption) and prescription and nonprescription
19 medicines, drugs, medical appliances, products classified as
20 Class III medical devices by the United States Food and Drug
21 Administration that are used for cancer treatment pursuant to
22 a prescription, as well as any accessories and components
23 related to those devices, modifications to a motor vehicle for
24 the purpose of rendering it usable by a person with a
25 disability, and insulin, blood sugar testing materials,
26 syringes, and needles used by human diabetics, the tax is

1 imposed at the rate of 1%. For the purposes of this Section,
2 until September 1, 2009: the term "soft drinks" means any
3 complete, finished, ready-to-use, non-alcoholic drink, whether
4 carbonated or not, including but not limited to soda water,
5 cola, fruit juice, vegetable juice, carbonated water, and all
6 other preparations commonly known as soft drinks of whatever
7 kind or description that are contained in any closed or sealed
8 bottle, can, carton, or container, regardless of size; but
9 "soft drinks" does not include coffee, tea, non-carbonated
10 water, infant formula, milk or milk products as defined in the
11 Grade A Pasteurized Milk and Milk Products Act, or drinks
12 containing 50% or more natural fruit or vegetable juice.

13 Notwithstanding any other provisions of this Act,
14 beginning September 1, 2009, "soft drinks" means non-alcoholic
15 beverages that contain natural or artificial sweeteners. "Soft
16 drinks" do not include beverages that contain milk or milk
17 products, soy, rice or similar milk substitutes, or greater
18 than 50% of vegetable or fruit juice by volume.

19 Until August 1, 2009, and notwithstanding any other
20 provisions of this Act, "food for human consumption that is to
21 be consumed off the premises where it is sold" includes all
22 food sold through a vending machine, except soft drinks and
23 food products that are dispensed hot from a vending machine,
24 regardless of the location of the vending machine. Beginning
25 August 1, 2009, and notwithstanding any other provisions of
26 this Act, "food for human consumption that is to be consumed

1 off the premises where it is sold" includes all food sold
2 through a vending machine, except soft drinks, candy, and food
3 products that are dispensed hot from a vending machine,
4 regardless of the location of the vending machine.

5 Notwithstanding any other provisions of this Act,
6 beginning September 1, 2009, "food for human consumption that
7 is to be consumed off the premises where it is sold" does not
8 include candy. For purposes of this Section, "candy" means a
9 preparation of sugar, honey, or other natural or artificial
10 sweeteners in combination with chocolate, fruits, nuts or
11 other ingredients or flavorings in the form of bars, drops, or
12 pieces. "Candy" does not include any preparation that contains
13 flour or requires refrigeration.

14 Notwithstanding any other provisions of this Act,
15 beginning September 1, 2009, "nonprescription medicines and
16 drugs" does not include grooming and hygiene products. For
17 purposes of this Section, "grooming and hygiene products"
18 includes, but is not limited to, soaps and cleaning solutions,
19 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan
20 lotions and screens, unless those products are available by
21 prescription only, regardless of whether the products meet the
22 definition of "over-the-counter-drugs". For the purposes of
23 this paragraph, "over-the-counter-drug" means a drug for human
24 use that contains a label that identifies the product as a drug
25 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"
26 label includes:

1 (A) A "Drug Facts" panel; or

2 (B) A statement of the "active ingredient(s)" with a
3 list of those ingredients contained in the compound,
4 substance or preparation.

5 Beginning on the effective date of this amendatory Act of
6 the 98th General Assembly, "prescription and nonprescription
7 medicines and drugs" includes medical cannabis purchased from
8 a registered dispensing organization under the Compassionate
9 Use of Medical Cannabis Program Act.

10 As used in this Section, "adult use cannabis" means
11 cannabis subject to tax under the Cannabis Cultivation
12 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law
13 and does not include cannabis subject to tax under the
14 Compassionate Use of Medical Cannabis Program Act.

15 If the property that is purchased at retail from a
16 retailer is acquired outside Illinois and used outside
17 Illinois before being brought to Illinois for use here and is
18 taxable under this Act, the "selling price" on which the tax is
19 computed shall be reduced by an amount that represents a
20 reasonable allowance for depreciation for the period of prior
21 out-of-state use.

22 (Source: P.A. 101-363, eff. 8-9-19; 101-593, eff. 12-4-19;
23 102-4, eff. 4-27-21.)

24 (35 ILCS 105/3-41)

25 Sec. 3-41. Biodiesel. "Biodiesel" means a ~~renewable~~ diesel

1 fuel that is not a hydrocarbon fuel and that is derived from
2 biomass that is intended for use in diesel engines.

3 (Source: P.A. 93-17, eff. 6-11-03.)

4 (35 ILCS 105/3-42.5 new)

5 Sec. 3-42.5. Renewable diesel. "Renewable diesel" means a
6 diesel fuel that is a hydrocarbon fuel derived from biomass
7 meeting the requirements of the latest version of ASTM
8 standards D975 or D396. Fuels that have been co-processed are
9 not considered renewable diesel.

10 Section 20-10. The Service Use Tax Act is amended by
11 changing Section 3-10 as follows:

12 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

13 Sec. 3-10. Rate of tax. Unless otherwise provided in this
14 Section, the tax imposed by this Act is at the rate of 6.25% of
15 the selling price of tangible personal property transferred as
16 an incident to the sale of service, but, for the purpose of
17 computing this tax, in no event shall the selling price be less
18 than the cost price of the property to the serviceman.

19 Beginning on July 1, 2000 and through December 31, 2000,
20 with respect to motor fuel, as defined in Section 1.1 of the
21 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of
22 the Use Tax Act, the tax is imposed at the rate of 1.25%.

23 With respect to gasohol, as defined in the Use Tax Act, the

1 tax imposed by this Act applies to (i) 70% of the selling price
2 of property transferred as an incident to the sale of service
3 on or after January 1, 1990, and before July 1, 2003, (ii) 80%
4 of the selling price of property transferred as an incident to
5 the sale of service on or after July 1, 2003 and on or before
6 July 1, 2017, and (iii) 100% of the selling price thereafter.
7 If, at any time, however, the tax under this Act on sales of
8 gasohol, as defined in the Use Tax Act, is imposed at the rate
9 of 1.25%, then the tax imposed by this Act applies to 100% of
10 the proceeds of sales of gasohol made during that time.

11 With respect to majority blended ethanol fuel, as defined
12 in the Use Tax Act, the tax imposed by this Act does not apply
13 to the selling price of property transferred as an incident to
14 the sale of service on or after July 1, 2003 and on or before
15 December 31, 2023 but applies to 100% of the selling price
16 thereafter.

17 With respect to biodiesel blends, as defined in the Use
18 Tax Act, with no less than 1% and no more than 10% biodiesel,
19 the tax imposed by this Act applies to (i) 80% of the selling
20 price of property transferred as an incident to the sale of
21 service on or after July 1, 2003 and on or before December 31,
22 2018 and (ii) 100% of the proceeds of the selling price after
23 December 31, 2018 and before January 1, 2024. On and after
24 January 1, 2024 and on or before December 31, 2030, the
25 taxation of biodiesel, renewable diesel, and biodiesel blends
26 shall be as provided in Section 3-5.1 of the Use Tax

1 ~~Act thereafter~~. If, at any time, however, the tax under this
2 Act on sales of biodiesel blends, as defined in the Use Tax
3 Act, with no less than 1% and no more than 10% biodiesel is
4 imposed at the rate of 1.25%, then the tax imposed by this Act
5 applies to 100% of the proceeds of sales of biodiesel blends
6 with no less than 1% and no more than 10% biodiesel made during
7 that time.

8 With respect to ~~100%~~ biodiesel, as defined in the Use Tax
9 Act, and biodiesel blends, as defined in the Use Tax Act, with
10 more than 10% but no more than 99% biodiesel, the tax imposed
11 by this Act does not apply to the proceeds of the selling price
12 of property transferred as an incident to the sale of service
13 on or after July 1, 2003 and on or before December 31, 2023 ~~but~~
14 ~~applies to 100% of the selling price thereafter.~~ On and after
15 January 1, 2024 and on or before December 31, 2030, the
16 taxation of biodiesel, renewable diesel, and biodiesel blends
17 shall be as provided in Section 3-5.1 of the Use Tax Act.

18 At the election of any registered serviceman made for each
19 fiscal year, sales of service in which the aggregate annual
20 cost price of tangible personal property transferred as an
21 incident to the sales of service is less than 35%, or 75% in
22 the case of servicemen transferring prescription drugs or
23 servicemen engaged in graphic arts production, of the
24 aggregate annual total gross receipts from all sales of
25 service, the tax imposed by this Act shall be based on the
26 serviceman's cost price of the tangible personal property

1 transferred as an incident to the sale of those services.

2 The tax shall be imposed at the rate of 1% on food prepared
3 for immediate consumption and transferred incident to a sale
4 of service subject to this Act or the Service Occupation Tax
5 Act by an entity licensed under the Hospital Licensing Act,
6 the Nursing Home Care Act, the Assisted Living and Shared
7 Housing Act, the ID/DD Community Care Act, the MC/DD Act, the
8 Specialized Mental Health Rehabilitation Act of 2013, or the
9 Child Care Act of 1969, or an entity that holds a permit issued
10 pursuant to the Life Care Facilities Act. The tax shall also be
11 imposed at the rate of 1% on food for human consumption that is
12 to be consumed off the premises where it is sold (other than
13 alcoholic beverages, food consisting of or infused with adult
14 use cannabis, soft drinks, and food that has been prepared for
15 immediate consumption and is not otherwise included in this
16 paragraph) and prescription and nonprescription medicines,
17 drugs, medical appliances, products classified as Class III
18 medical devices by the United States Food and Drug
19 Administration that are used for cancer treatment pursuant to
20 a prescription, as well as any accessories and components
21 related to those devices, modifications to a motor vehicle for
22 the purpose of rendering it usable by a person with a
23 disability, and insulin, blood sugar testing materials,
24 syringes, and needles used by human diabetics. For the
25 purposes of this Section, until September 1, 2009: the term
26 "soft drinks" means any complete, finished, ready-to-use,

1 non-alcoholic drink, whether carbonated or not, including but
2 not limited to soda water, cola, fruit juice, vegetable juice,
3 carbonated water, and all other preparations commonly known as
4 soft drinks of whatever kind or description that are contained
5 in any closed or sealed bottle, can, carton, or container,
6 regardless of size; but "soft drinks" does not include coffee,
7 tea, non-carbonated water, infant formula, milk or milk
8 products as defined in the Grade A Pasteurized Milk and Milk
9 Products Act, or drinks containing 50% or more natural fruit
10 or vegetable juice.

11 Notwithstanding any other provisions of this Act,
12 beginning September 1, 2009, "soft drinks" means non-alcoholic
13 beverages that contain natural or artificial sweeteners. "Soft
14 drinks" do not include beverages that contain milk or milk
15 products, soy, rice or similar milk substitutes, or greater
16 than 50% of vegetable or fruit juice by volume.

17 Until August 1, 2009, and notwithstanding any other
18 provisions of this Act, "food for human consumption that is to
19 be consumed off the premises where it is sold" includes all
20 food sold through a vending machine, except soft drinks and
21 food products that are dispensed hot from a vending machine,
22 regardless of the location of the vending machine. Beginning
23 August 1, 2009, and notwithstanding any other provisions of
24 this Act, "food for human consumption that is to be consumed
25 off the premises where it is sold" includes all food sold
26 through a vending machine, except soft drinks, candy, and food

1 products that are dispensed hot from a vending machine,
2 regardless of the location of the vending machine.

3 Notwithstanding any other provisions of this Act,
4 beginning September 1, 2009, "food for human consumption that
5 is to be consumed off the premises where it is sold" does not
6 include candy. For purposes of this Section, "candy" means a
7 preparation of sugar, honey, or other natural or artificial
8 sweeteners in combination with chocolate, fruits, nuts or
9 other ingredients or flavorings in the form of bars, drops, or
10 pieces. "Candy" does not include any preparation that contains
11 flour or requires refrigeration.

12 Notwithstanding any other provisions of this Act,
13 beginning September 1, 2009, "nonprescription medicines and
14 drugs" does not include grooming and hygiene products. For
15 purposes of this Section, "grooming and hygiene products"
16 includes, but is not limited to, soaps and cleaning solutions,
17 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan
18 lotions and screens, unless those products are available by
19 prescription only, regardless of whether the products meet the
20 definition of "over-the-counter-drugs". For the purposes of
21 this paragraph, "over-the-counter-drug" means a drug for human
22 use that contains a label that identifies the product as a drug
23 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"
24 label includes:

25 (A) A "Drug Facts" panel; or

26 (B) A statement of the "active ingredient(s)" with a

1 list of those ingredients contained in the compound,
2 substance or preparation.

3 Beginning on January 1, 2014 (the effective date of Public
4 Act 98-122), "prescription and nonprescription medicines and
5 drugs" includes medical cannabis purchased from a registered
6 dispensing organization under the Compassionate Use of Medical
7 Cannabis Program Act.

8 As used in this Section, "adult use cannabis" means
9 cannabis subject to tax under the Cannabis Cultivation
10 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law
11 and does not include cannabis subject to tax under the
12 Compassionate Use of Medical Cannabis Program Act.

13 If the property that is acquired from a serviceman is
14 acquired outside Illinois and used outside Illinois before
15 being brought to Illinois for use here and is taxable under
16 this Act, the "selling price" on which the tax is computed
17 shall be reduced by an amount that represents a reasonable
18 allowance for depreciation for the period of prior
19 out-of-state use.

20 (Source: P.A. 101-363, eff. 8-9-19; 101-593, eff. 12-4-19;
21 102-4, eff. 4-27-21; 102-16, eff. 6-17-21.)

22 Section 20-15. The Service Occupation Tax Act is amended
23 by changing Section 3-10 as follows:

24 (35 ILCS 115/3-10) (from Ch. 120, par. 439.103-10)

1 Sec. 3-10. Rate of tax. Unless otherwise provided in this
2 Section, the tax imposed by this Act is at the rate of 6.25% of
3 the "selling price", as defined in Section 2 of the Service Use
4 Tax Act, of the tangible personal property. For the purpose of
5 computing this tax, in no event shall the "selling price" be
6 less than the cost price to the serviceman of the tangible
7 personal property transferred. The selling price of each item
8 of tangible personal property transferred as an incident of a
9 sale of service may be shown as a distinct and separate item on
10 the serviceman's billing to the service customer. If the
11 selling price is not so shown, the selling price of the
12 tangible personal property is deemed to be 50% of the
13 serviceman's entire billing to the service customer. When,
14 however, a serviceman contracts to design, develop, and
15 produce special order machinery or equipment, the tax imposed
16 by this Act shall be based on the serviceman's cost price of
17 the tangible personal property transferred incident to the
18 completion of the contract.

19 Beginning on July 1, 2000 and through December 31, 2000,
20 with respect to motor fuel, as defined in Section 1.1 of the
21 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of
22 the Use Tax Act, the tax is imposed at the rate of 1.25%.

23 With respect to gasohol, as defined in the Use Tax Act, the
24 tax imposed by this Act shall apply to (i) 70% of the cost
25 price of property transferred as an incident to the sale of
26 service on or after January 1, 1990, and before July 1, 2003,

1 (ii) 80% of the selling price of property transferred as an
2 incident to the sale of service on or after July 1, 2003 and on
3 or before July 1, 2017, and (iii) 100% of the cost price
4 thereafter. If, at any time, however, the tax under this Act on
5 sales of gasohol, as defined in the Use Tax Act, is imposed at
6 the rate of 1.25%, then the tax imposed by this Act applies to
7 100% of the proceeds of sales of gasohol made during that time.

8 With respect to majority blended ethanol fuel, as defined
9 in the Use Tax Act, the tax imposed by this Act does not apply
10 to the selling price of property transferred as an incident to
11 the sale of service on or after July 1, 2003 and on or before
12 December 31, 2023 but applies to 100% of the selling price
13 thereafter.

14 With respect to biodiesel blends, as defined in the Use
15 Tax Act, with no less than 1% and no more than 10% biodiesel,
16 the tax imposed by this Act applies to (i) 80% of the selling
17 price of property transferred as an incident to the sale of
18 service on or after July 1, 2003 and on or before December 31,
19 2018 and (ii) 100% of the proceeds of the selling price after
20 December 31, 2018 and before January 1, 2024. On and after
21 January 1, 2024 and on or before December 31, 2030, the
22 taxation of biodiesel, renewable diesel, and biodiesel blends
23 shall be as provided in Section 3-5.1 of the Use Tax
24 Act ~~thereafter~~. If, at any time, however, the tax under this
25 Act on sales of biodiesel blends, as defined in the Use Tax
26 Act, with no less than 1% and no more than 10% biodiesel is

1 imposed at the rate of 1.25%, then the tax imposed by this Act
2 applies to 100% of the proceeds of sales of biodiesel blends
3 with no less than 1% and no more than 10% biodiesel made during
4 that time.

5 With respect to ~~100%~~ biodiesel, as defined in the Use Tax
6 Act, and biodiesel blends, as defined in the Use Tax Act, with
7 more than 10% but no more than 99% biodiesel material, the tax
8 imposed by this Act does not apply to the proceeds of the
9 selling price of property transferred as an incident to the
10 sale of service on or after July 1, 2003 and on or before
11 December 31, 2023 ~~but applies to 100% of the selling price~~
12 ~~thereafter.~~ On and after January 1, 2024 and on or before
13 December 31, 2030, the taxation of biodiesel, renewable
14 diesel, and biodiesel blends shall be as provided in Section
15 3-5.1 of the Use Tax Act.

16 At the election of any registered serviceman made for each
17 fiscal year, sales of service in which the aggregate annual
18 cost price of tangible personal property transferred as an
19 incident to the sales of service is less than 35%, or 75% in
20 the case of servicemen transferring prescription drugs or
21 servicemen engaged in graphic arts production, of the
22 aggregate annual total gross receipts from all sales of
23 service, the tax imposed by this Act shall be based on the
24 serviceman's cost price of the tangible personal property
25 transferred incident to the sale of those services.

26 The tax shall be imposed at the rate of 1% on food prepared

1 for immediate consumption and transferred incident to a sale
2 of service subject to this Act or the Service Occupation Tax
3 Act by an entity licensed under the Hospital Licensing Act,
4 the Nursing Home Care Act, the Assisted Living and Shared
5 Housing Act, the ID/DD Community Care Act, the MC/DD Act, the
6 Specialized Mental Health Rehabilitation Act of 2013, or the
7 Child Care Act of 1969, or an entity that holds a permit issued
8 pursuant to the Life Care Facilities Act. The tax shall also be
9 imposed at the rate of 1% on food for human consumption that is
10 to be consumed off the premises where it is sold (other than
11 alcoholic beverages, food consisting of or infused with adult
12 use cannabis, soft drinks, and food that has been prepared for
13 immediate consumption and is not otherwise included in this
14 paragraph) and prescription and nonprescription medicines,
15 drugs, medical appliances, products classified as Class III
16 medical devices by the United States Food and Drug
17 Administration that are used for cancer treatment pursuant to
18 a prescription, as well as any accessories and components
19 related to those devices, modifications to a motor vehicle for
20 the purpose of rendering it usable by a person with a
21 disability, and insulin, blood sugar testing materials,
22 syringes, and needles used by human diabetics. For the
23 purposes of this Section, until September 1, 2009: the term
24 "soft drinks" means any complete, finished, ready-to-use,
25 non-alcoholic drink, whether carbonated or not, including but
26 not limited to soda water, cola, fruit juice, vegetable juice,

1 carbonated water, and all other preparations commonly known as
2 soft drinks of whatever kind or description that are contained
3 in any closed or sealed can, carton, or container, regardless
4 of size; but "soft drinks" does not include coffee, tea,
5 non-carbonated water, infant formula, milk or milk products as
6 defined in the Grade A Pasteurized Milk and Milk Products Act,
7 or drinks containing 50% or more natural fruit or vegetable
8 juice.

9 Notwithstanding any other provisions of this Act,
10 beginning September 1, 2009, "soft drinks" means non-alcoholic
11 beverages that contain natural or artificial sweeteners. "Soft
12 drinks" do not include beverages that contain milk or milk
13 products, soy, rice or similar milk substitutes, or greater
14 than 50% of vegetable or fruit juice by volume.

15 Until August 1, 2009, and notwithstanding any other
16 provisions of this Act, "food for human consumption that is to
17 be consumed off the premises where it is sold" includes all
18 food sold through a vending machine, except soft drinks and
19 food products that are dispensed hot from a vending machine,
20 regardless of the location of the vending machine. Beginning
21 August 1, 2009, and notwithstanding any other provisions of
22 this Act, "food for human consumption that is to be consumed
23 off the premises where it is sold" includes all food sold
24 through a vending machine, except soft drinks, candy, and food
25 products that are dispensed hot from a vending machine,
26 regardless of the location of the vending machine.

1 Notwithstanding any other provisions of this Act,
2 beginning September 1, 2009, "food for human consumption that
3 is to be consumed off the premises where it is sold" does not
4 include candy. For purposes of this Section, "candy" means a
5 preparation of sugar, honey, or other natural or artificial
6 sweeteners in combination with chocolate, fruits, nuts or
7 other ingredients or flavorings in the form of bars, drops, or
8 pieces. "Candy" does not include any preparation that contains
9 flour or requires refrigeration.

10 Notwithstanding any other provisions of this Act,
11 beginning September 1, 2009, "nonprescription medicines and
12 drugs" does not include grooming and hygiene products. For
13 purposes of this Section, "grooming and hygiene products"
14 includes, but is not limited to, soaps and cleaning solutions,
15 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan
16 lotions and screens, unless those products are available by
17 prescription only, regardless of whether the products meet the
18 definition of "over-the-counter-drugs". For the purposes of
19 this paragraph, "over-the-counter-drug" means a drug for human
20 use that contains a label that identifies the product as a drug
21 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"
22 label includes:

23 (A) A "Drug Facts" panel; or

24 (B) A statement of the "active ingredient(s)" with a
25 list of those ingredients contained in the compound,
26 substance or preparation.

1 Beginning on January 1, 2014 (the effective date of Public
2 Act 98-122), "prescription and nonprescription medicines and
3 drugs" includes medical cannabis purchased from a registered
4 dispensing organization under the Compassionate Use of Medical
5 Cannabis Program Act.

6 As used in this Section, "adult use cannabis" means
7 cannabis subject to tax under the Cannabis Cultivation
8 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law
9 and does not include cannabis subject to tax under the
10 Compassionate Use of Medical Cannabis Program Act.

11 (Source: P.A. 101-363, eff. 8-9-19; 101-593, eff. 12-4-19;
12 102-4, eff. 4-27-21; 102-16, eff. 6-17-21.)

13 Section 20-20. The Retailers' Occupation Tax Act is
14 amended by changing Section 2-10 as follows:

15 (35 ILCS 120/2-10)

16 Sec. 2-10. Rate of tax. Unless otherwise provided in this
17 Section, the tax imposed by this Act is at the rate of 6.25% of
18 gross receipts from sales of tangible personal property made
19 in the course of business.

20 Beginning on July 1, 2000 and through December 31, 2000,
21 with respect to motor fuel, as defined in Section 1.1 of the
22 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of
23 the Use Tax Act, the tax is imposed at the rate of 1.25%.

24 Beginning on August 6, 2010 through August 15, 2010, with

1 respect to sales tax holiday items as defined in Section 2-8 of
2 this Act, the tax is imposed at the rate of 1.25%.

3 Within 14 days after the effective date of this amendatory
4 Act of the 91st General Assembly, each retailer of motor fuel
5 and gasohol shall cause the following notice to be posted in a
6 prominently visible place on each retail dispensing device
7 that is used to dispense motor fuel or gasohol in the State of
8 Illinois: "As of July 1, 2000, the State of Illinois has
9 eliminated the State's share of sales tax on motor fuel and
10 gasohol through December 31, 2000. The price on this pump
11 should reflect the elimination of the tax." The notice shall
12 be printed in bold print on a sign that is no smaller than 4
13 inches by 8 inches. The sign shall be clearly visible to
14 customers. Any retailer who fails to post or maintain a
15 required sign through December 31, 2000 is guilty of a petty
16 offense for which the fine shall be \$500 per day per each
17 retail premises where a violation occurs.

18 With respect to gasohol, as defined in the Use Tax Act, the
19 tax imposed by this Act applies to (i) 70% of the proceeds of
20 sales made on or after January 1, 1990, and before July 1,
21 2003, (ii) 80% of the proceeds of sales made on or after July
22 1, 2003 and on or before July 1, 2017, and (iii) 100% of the
23 proceeds of sales made thereafter. If, at any time, however,
24 the tax under this Act on sales of gasohol, as defined in the
25 Use Tax Act, is imposed at the rate of 1.25%, then the tax
26 imposed by this Act applies to 100% of the proceeds of sales of

1 gasohol made during that time.

2 With respect to majority blended ethanol fuel, as defined
3 in the Use Tax Act, the tax imposed by this Act does not apply
4 to the proceeds of sales made on or after July 1, 2003 and on
5 or before December 31, 2023 but applies to 100% of the proceeds
6 of sales made thereafter.

7 With respect to biodiesel blends, as defined in the Use
8 Tax Act, with no less than 1% and no more than 10% biodiesel,
9 the tax imposed by this Act applies to (i) 80% of the proceeds
10 of sales made on or after July 1, 2003 and on or before
11 December 31, 2018 and (ii) 100% of the proceeds of sales made
12 after December 31, 2018 and before January 1, 2024. On and
13 after January 1, 2024 and on or before December 31, 2030, the
14 taxation of biodiesel, renewable diesel, and biodiesel blends
15 shall be as provided in Section 3-5.1 of the Use Tax Act
16 ~~thereafter~~. If, at any time, however, the tax under this Act on
17 sales of biodiesel blends, as defined in the Use Tax Act, with
18 no less than 1% and no more than 10% biodiesel is imposed at
19 the rate of 1.25%, then the tax imposed by this Act applies to
20 100% of the proceeds of sales of biodiesel blends with no less
21 than 1% and no more than 10% biodiesel made during that time.

22 With respect to ~~100%~~ biodiesel, as defined in the Use Tax
23 Act, and biodiesel blends, as defined in the Use Tax Act, with
24 more than 10% but no more than 99% biodiesel, the tax imposed
25 by this Act does not apply to the proceeds of sales made on or
26 after July 1, 2003 and on or before December 31, 2023 ~~but~~

1 ~~applies to 100% of the proceeds of sales made thereafter.~~ On
2 and after January 1, 2024 and on or before December 31, 2030,
3 the taxation of biodiesel, renewable diesel, and biodiesel
4 blends shall be as provided in Section 3-5.1 of the Use Tax
5 Act.

6 With respect to food for human consumption that is to be
7 consumed off the premises where it is sold (other than
8 alcoholic beverages, food consisting of or infused with adult
9 use cannabis, soft drinks, and food that has been prepared for
10 immediate consumption) and prescription and nonprescription
11 medicines, drugs, medical appliances, products classified as
12 Class III medical devices by the United States Food and Drug
13 Administration that are used for cancer treatment pursuant to
14 a prescription, as well as any accessories and components
15 related to those devices, modifications to a motor vehicle for
16 the purpose of rendering it usable by a person with a
17 disability, and insulin, blood sugar testing materials,
18 syringes, and needles used by human diabetics, the tax is
19 imposed at the rate of 1%. For the purposes of this Section,
20 until September 1, 2009: the term "soft drinks" means any
21 complete, finished, ready-to-use, non-alcoholic drink, whether
22 carbonated or not, including but not limited to soda water,
23 cola, fruit juice, vegetable juice, carbonated water, and all
24 other preparations commonly known as soft drinks of whatever
25 kind or description that are contained in any closed or sealed
26 bottle, can, carton, or container, regardless of size; but

1 "soft drinks" does not include coffee, tea, non-carbonated
2 water, infant formula, milk or milk products as defined in the
3 Grade A Pasteurized Milk and Milk Products Act, or drinks
4 containing 50% or more natural fruit or vegetable juice.

5 Notwithstanding any other provisions of this Act,
6 beginning September 1, 2009, "soft drinks" means non-alcoholic
7 beverages that contain natural or artificial sweeteners. "Soft
8 drinks" do not include beverages that contain milk or milk
9 products, soy, rice or similar milk substitutes, or greater
10 than 50% of vegetable or fruit juice by volume.

11 Until August 1, 2009, and notwithstanding any other
12 provisions of this Act, "food for human consumption that is to
13 be consumed off the premises where it is sold" includes all
14 food sold through a vending machine, except soft drinks and
15 food products that are dispensed hot from a vending machine,
16 regardless of the location of the vending machine. Beginning
17 August 1, 2009, and notwithstanding any other provisions of
18 this Act, "food for human consumption that is to be consumed
19 off the premises where it is sold" includes all food sold
20 through a vending machine, except soft drinks, candy, and food
21 products that are dispensed hot from a vending machine,
22 regardless of the location of the vending machine.

23 Notwithstanding any other provisions of this Act,
24 beginning September 1, 2009, "food for human consumption that
25 is to be consumed off the premises where it is sold" does not
26 include candy. For purposes of this Section, "candy" means a

1 preparation of sugar, honey, or other natural or artificial
2 sweeteners in combination with chocolate, fruits, nuts or
3 other ingredients or flavorings in the form of bars, drops, or
4 pieces. "Candy" does not include any preparation that contains
5 flour or requires refrigeration.

6 Notwithstanding any other provisions of this Act,
7 beginning September 1, 2009, "nonprescription medicines and
8 drugs" does not include grooming and hygiene products. For
9 purposes of this Section, "grooming and hygiene products"
10 includes, but is not limited to, soaps and cleaning solutions,
11 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan
12 lotions and screens, unless those products are available by
13 prescription only, regardless of whether the products meet the
14 definition of "over-the-counter-drugs". For the purposes of
15 this paragraph, "over-the-counter-drug" means a drug for human
16 use that contains a label that identifies the product as a drug
17 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"
18 label includes:

19 (A) A "Drug Facts" panel; or

20 (B) A statement of the "active ingredient(s)" with a
21 list of those ingredients contained in the compound,
22 substance or preparation.

23 Beginning on the effective date of this amendatory Act of
24 the 98th General Assembly, "prescription and nonprescription
25 medicines and drugs" includes medical cannabis purchased from
26 a registered dispensing organization under the Compassionate

1 Use of Medical Cannabis Program Act.

2 As used in this Section, "adult use cannabis" means
3 cannabis subject to tax under the Cannabis Cultivation
4 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law
5 and does not include cannabis subject to tax under the
6 Compassionate Use of Medical Cannabis Program Act.

7 (Source: P.A. 101-363, eff. 8-9-19; 101-593, eff. 12-4-19;
8 102-4, eff. 4-27-21.)

9 Section 20-25. The Motor Fuel Tax Law is amended by adding
10 Section 3d as follows:

11 (35 ILCS 505/3d new)

12 Sec. 3d. Right to blend.

13 (a) A distributor who is properly licensed and permitted
14 as a blender pursuant to this Act may blend petroleum-based
15 diesel fuel with biodiesel and sell the blended or unblended
16 product on any premises owned and operated by the distributor
17 for the purpose of supporting or facilitating the retail sale
18 of motor fuel.

19 (b) A refiner or supplier of petroleum-based diesel fuel
20 or biodiesel shall not refuse to sell or transport to a
21 distributor who is properly licensed and permitted as a
22 blender pursuant to this Act any petroleum-based diesel fuel
23 or biodiesel based on the distributor's or dealer's intent to
24 use that product for blending.

1 ARTICLE 25. HOSPITALS

2 Section 25-5. The Illinois Income Tax Act is amended by
3 changing Section 223 as follows:

4 (35 ILCS 5/223)

5 Sec. 223. Hospital credit.

6 (a) For tax years ending on or after December 31, 2012 and
7 ending on or before December 31, 2027 ~~December 31, 2022~~, a
8 taxpayer that is the owner of a hospital licensed under the
9 Hospital Licensing Act, but not including an organization that
10 is exempt from federal income taxes under the Internal Revenue
11 Code, is entitled to a credit against the taxes imposed under
12 subsections (a) and (b) of Section 201 of this Act in an amount
13 equal to the lesser of the amount of real property taxes paid
14 during the tax year on real property used for hospital
15 purposes during the prior tax year or the cost of free or
16 discounted services provided during the tax year pursuant to
17 the hospital's charitable financial assistance policy,
18 measured at cost.

19 (b) If the taxpayer is a partnership or Subchapter S
20 corporation, the credit is allowed to the partners or
21 shareholders in accordance with the determination of income
22 and distributive share of income under Sections 702 and 704
23 and Subchapter S of the Internal Revenue Code. A transfer of

1 this credit may be made by the taxpayer earning the credit
2 within one year after the credit is earned in accordance with
3 rules adopted by the Department. The Department shall
4 prescribe rules to enforce and administer provisions of this
5 Section. If the amount of the credit exceeds the tax liability
6 for the year, then the excess credit may be carried forward and
7 applied to the tax liability of the 5 taxable years following
8 the excess credit year. The credit shall be applied to the
9 earliest year for which there is a tax liability. If there are
10 credits from more than one tax year that are available to
11 offset a liability, the earlier credit shall be applied first.
12 In no event shall a credit under this Section reduce the
13 taxpayer's liability to less than zero.

14 (Source: P.A. 100-587, eff. 6-4-18.)

15 Section 25-10. The Use Tax Act is amended by changing
16 Section 3-8 as follows:

17 (35 ILCS 105/3-8)

18 Sec. 3-8. Hospital exemption.

19 (a) Tangible ~~Until July 1, 2022, tangible~~ personal
20 property sold to or used by a hospital owner that owns one or
21 more hospitals licensed under the Hospital Licensing Act or
22 operated under the University of Illinois Hospital Act, or a
23 hospital affiliate that is not already exempt under another
24 provision of this Act and meets the criteria for an exemption

1 under this Section, is exempt from taxation under this Act.

2 (b) A hospital owner or hospital affiliate satisfies the
3 conditions for an exemption under this Section if the value of
4 qualified services or activities listed in subsection (c) of
5 this Section for the hospital year equals or exceeds the
6 relevant hospital entity's estimated property tax liability,
7 without regard to any property tax exemption granted under
8 Section 15-86 of the Property Tax Code, for the calendar year
9 in which exemption or renewal of exemption is sought. For
10 purposes of making the calculations required by this
11 subsection (b), if the relevant hospital entity is a hospital
12 owner that owns more than one hospital, the value of the
13 services or activities listed in subsection (c) shall be
14 calculated on the basis of only those services and activities
15 relating to the hospital that includes the subject property,
16 and the relevant hospital entity's estimated property tax
17 liability shall be calculated only with respect to the
18 properties comprising that hospital. In the case of a
19 multi-state hospital system or hospital affiliate, the value
20 of the services or activities listed in subsection (c) shall
21 be calculated on the basis of only those services and
22 activities that occur in Illinois and the relevant hospital
23 entity's estimated property tax liability shall be calculated
24 only with respect to its property located in Illinois.

25 (c) The following services and activities shall be
26 considered for purposes of making the calculations required by

1 subsection (b):

2 (1) Charity care. Free or discounted services provided
3 pursuant to the relevant hospital entity's financial
4 assistance policy, measured at cost, including discounts
5 provided under the Hospital Uninsured Patient Discount
6 Act.

7 (2) Health services to low-income and underserved
8 individuals. Other unreimbursed costs of the relevant
9 hospital entity for providing without charge, paying for,
10 or subsidizing goods, activities, or services for the
11 purpose of addressing the health of low-income or
12 underserved individuals. Those activities or services may
13 include, but are not limited to: financial or in-kind
14 support to affiliated or unaffiliated hospitals, hospital
15 affiliates, community clinics, or programs that treat
16 low-income or underserved individuals; paying for or
17 subsidizing health care professionals who care for
18 low-income or underserved individuals; providing or
19 subsidizing outreach or educational services to low-income
20 or underserved individuals for disease management and
21 prevention; free or subsidized goods, supplies, or
22 services needed by low-income or underserved individuals
23 because of their medical condition; and prenatal or
24 childbirth outreach to low-income or underserved persons.

25 (3) Subsidy of State or local governments. Direct or
26 indirect financial or in-kind subsidies of State or local

1 governments by the relevant hospital entity that pay for
2 or subsidize activities or programs related to health care
3 for low-income or underserved individuals.

4 (4) Support for State health care programs for
5 low-income individuals. At the election of the hospital
6 applicant for each applicable year, either (A) 10% of
7 payments to the relevant hospital entity and any hospital
8 affiliate designated by the relevant hospital entity
9 (provided that such hospital affiliate's operations
10 provide financial or operational support for or receive
11 financial or operational support from the relevant
12 hospital entity) under Medicaid or other means-tested
13 programs, including, but not limited to, General
14 Assistance, the Covering ALL KIDS Health Insurance Act,
15 and the State Children's Health Insurance Program or (B)
16 the amount of subsidy provided by the relevant hospital
17 entity and any hospital affiliate designated by the
18 relevant hospital entity (provided that such hospital
19 affiliate's operations provide financial or operational
20 support for or receive financial or operational support
21 from the relevant hospital entity) to State or local
22 government in treating Medicaid recipients and recipients
23 of means-tested programs, including but not limited to
24 General Assistance, the Covering ALL KIDS Health Insurance
25 Act, and the State Children's Health Insurance Program.
26 The amount of subsidy for purpose of this item (4) is

1 calculated in the same manner as unreimbursed costs are
2 calculated for Medicaid and other means-tested government
3 programs in the Schedule H of IRS Form 990 in effect on the
4 effective date of this amendatory Act of the 97th General
5 Assembly.

6 (5) Dual-eligible subsidy. The amount of subsidy
7 provided to government by treating dual-eligible
8 Medicare/Medicaid patients. The amount of subsidy for
9 purposes of this item (5) is calculated by multiplying the
10 relevant hospital entity's unreimbursed costs for
11 Medicare, calculated in the same manner as determined in
12 the Schedule H of IRS Form 990 in effect on the effective
13 date of this amendatory Act of the 97th General Assembly,
14 by the relevant hospital entity's ratio of dual-eligible
15 patients to total Medicare patients.

16 (6) Relief of the burden of government related to
17 health care. Except to the extent otherwise taken into
18 account in this subsection, the portion of unreimbursed
19 costs of the relevant hospital entity attributable to
20 providing, paying for, or subsidizing goods, activities,
21 or services that relieve the burden of government related
22 to health care for low-income individuals. Such activities
23 or services shall include, but are not limited to,
24 providing emergency, trauma, burn, neonatal, psychiatric,
25 rehabilitation, or other special services; providing
26 medical education; and conducting medical research or

1 training of health care professionals. The portion of
2 those unreimbursed costs attributable to benefiting
3 low-income individuals shall be determined using the ratio
4 calculated by adding the relevant hospital entity's costs
5 attributable to charity care, Medicaid, other means-tested
6 government programs, Medicare patients with disabilities
7 under age 65, and dual-eligible Medicare/Medicaid patients
8 and dividing that total by the relevant hospital entity's
9 total costs. Such costs for the numerator and denominator
10 shall be determined by multiplying gross charges by the
11 cost to charge ratio taken from the hospital's most
12 recently filed Medicare cost report (CMS 2252-10
13 Worksheet, Part I). In the case of emergency services, the
14 ratio shall be calculated using costs (gross charges
15 multiplied by the cost to charge ratio taken from the
16 hospital's most recently filed Medicare cost report (CMS
17 2252-10 Worksheet, Part I)) of patients treated in the
18 relevant hospital entity's emergency department.

19 (7) Any other activity by the relevant hospital entity
20 that the Department determines relieves the burden of
21 government or addresses the health of low-income or
22 underserved individuals.

23 (d) The hospital applicant shall include information in
24 its exemption application establishing that it satisfies the
25 requirements of subsection (b). For purposes of making the
26 calculations required by subsection (b), the hospital

1 applicant may for each year elect to use either (1) the value
2 of the services or activities listed in subsection (e) for the
3 hospital year or (2) the average value of those services or
4 activities for the 3 fiscal years ending with the hospital
5 year. If the relevant hospital entity has been in operation
6 for less than 3 completed fiscal years, then the latter
7 calculation, if elected, shall be performed on a pro rata
8 basis.

9 (e) For purposes of making the calculations required by
10 this Section:

11 (1) particular services or activities eligible for
12 consideration under any of the paragraphs (1) through (7)
13 of subsection (c) may not be counted under more than one of
14 those paragraphs; and

15 (2) the amount of unreimbursed costs and the amount of
16 subsidy shall not be reduced by restricted or unrestricted
17 payments received by the relevant hospital entity as
18 contributions deductible under Section 170(a) of the
19 Internal Revenue Code.

20 (f) (Blank).

21 (g) Estimation of Exempt Property Tax Liability. The
22 estimated property tax liability used for the determination in
23 subsection (b) shall be calculated as follows:

24 (1) "Estimated property tax liability" means the
25 estimated dollar amount of property tax that would be
26 owed, with respect to the exempt portion of each of the

1 relevant hospital entity's properties that are already
2 fully or partially exempt, or for which an exemption in
3 whole or in part is currently being sought, and then
4 aggregated as applicable, as if the exempt portion of
5 those properties were subject to tax, calculated with
6 respect to each such property by multiplying:

7 (A) the lesser of (i) the actual assessed value,
8 if any, of the portion of the property for which an
9 exemption is sought or (ii) an estimated assessed
10 value of the exempt portion of such property as
11 determined in item (2) of this subsection (g), by

12 (B) the applicable State equalization rate
13 (yielding the equalized assessed value), by

14 (C) the applicable tax rate.

15 (2) The estimated assessed value of the exempt portion
16 of the property equals the sum of (i) the estimated fair
17 market value of buildings on the property, as determined
18 in accordance with subparagraphs (A) and (B) of this item
19 (2), multiplied by the applicable assessment factor, and
20 (ii) the estimated assessed value of the land portion of
21 the property, as determined in accordance with
22 subparagraph (C).

23 (A) The "estimated fair market value of buildings
24 on the property" means the replacement value of any
25 exempt portion of buildings on the property, minus
26 depreciation, determined utilizing the cost

1 replacement method whereby the exempt square footage
2 of all such buildings is multiplied by the replacement
3 cost per square foot for Class A Average building
4 found in the most recent edition of the Marshall &
5 Swift Valuation Services Manual, adjusted by any
6 appropriate current cost and local multipliers.

7 (B) Depreciation, for purposes of calculating the
8 estimated fair market value of buildings on the
9 property, is applied by utilizing a weighted mean life
10 for the buildings based on original construction and
11 assuming a 40-year life for hospital buildings and the
12 applicable life for other types of buildings as
13 specified in the American Hospital Association
14 publication "Estimated Useful Lives of Depreciable
15 Hospital Assets". In the case of hospital buildings,
16 the remaining life is divided by 40 and this ratio is
17 multiplied by the replacement cost of the buildings to
18 obtain an estimated fair market value of buildings. If
19 a hospital building is older than 35 years, a
20 remaining life of 5 years for residual value is
21 assumed; and if a building is less than 8 years old, a
22 remaining life of 32 years is assumed.

23 (C) The estimated assessed value of the land
24 portion of the property shall be determined by
25 multiplying (i) the per square foot average of the
26 assessed values of three parcels of land (not

1 including farm land, and excluding the assessed value
2 of the improvements thereon) reasonably comparable to
3 the property, by (ii) the number of square feet
4 comprising the exempt portion of the property's land
5 square footage.

6 (3) The assessment factor, State equalization rate,
7 and tax rate (including any special factors such as
8 Enterprise Zones) used in calculating the estimated
9 property tax liability shall be for the most recent year
10 that is publicly available from the applicable chief
11 county assessment officer or officers at least 90 days
12 before the end of the hospital year.

13 (4) The method utilized to calculate estimated
14 property tax liability for purposes of this Section 15-86
15 shall not be utilized for the actual valuation,
16 assessment, or taxation of property pursuant to the
17 Property Tax Code.

18 (h) For the purpose of this Section, the following terms
19 shall have the meanings set forth below:

20 (1) "Hospital" means any institution, place, building,
21 buildings on a campus, or other health care facility
22 located in Illinois that is licensed under the Hospital
23 Licensing Act and has a hospital owner.

24 (2) "Hospital owner" means a not-for-profit
25 corporation that is the titleholder of a hospital, or the
26 owner of the beneficial interest in an Illinois land trust

1 that is the titleholder of a hospital.

2 (3) "Hospital affiliate" means any corporation,
3 partnership, limited partnership, joint venture, limited
4 liability company, association or other organization,
5 other than a hospital owner, that directly or indirectly
6 controls, is controlled by, or is under common control
7 with one or more hospital owners and that supports, is
8 supported by, or acts in furtherance of the exempt health
9 care purposes of at least one of those hospital owners'
10 hospitals.

11 (4) "Hospital system" means a hospital and one or more
12 other hospitals or hospital affiliates related by common
13 control or ownership.

14 (5) "Control" relating to hospital owners, hospital
15 affiliates, or hospital systems means possession, direct
16 or indirect, of the power to direct or cause the direction
17 of the management and policies of the entity, whether
18 through ownership of assets, membership interest, other
19 voting or governance rights, by contract or otherwise.

20 (6) "Hospital applicant" means a hospital owner or
21 hospital affiliate that files an application for an
22 exemption or renewal of exemption under this Section.

23 (7) "Relevant hospital entity" means (A) the hospital
24 owner, in the case of a hospital applicant that is a
25 hospital owner, and (B) at the election of a hospital
26 applicant that is a hospital affiliate, either (i) the

1 hospital affiliate or (ii) the hospital system to which
2 the hospital applicant belongs, including any hospitals or
3 hospital affiliates that are related by common control or
4 ownership.

5 (8) "Subject property" means property used for the
6 calculation under subsection (b) of this Section.

7 (9) "Hospital year" means the fiscal year of the
8 relevant hospital entity, or the fiscal year of one of the
9 hospital owners in the hospital system if the relevant
10 hospital entity is a hospital system with members with
11 different fiscal years, that ends in the year for which
12 the exemption is sought.

13 (i) It is the intent of the General Assembly that any
14 exemptions taken, granted, or renewed under this Section prior
15 to the effective date of this amendatory Act of the 100th
16 General Assembly are hereby validated.

17 (j) It is the intent of the General Assembly that the
18 exemption under this Section applies on a continuous basis. If
19 this amendatory Act of the 102nd General Assembly takes effect
20 after July 1, 2022, any exemptions taken, granted, or renewed
21 under this Section on or after July 1, 2022 and prior to the
22 effective date of this amendatory Act of the 102nd General
23 Assembly are hereby validated.

24 (k) This Section is exempt from the provisions of Section
25 3-90.

26 (Source: P.A. 99-143, eff. 7-27-15; 100-1181, eff. 3-8-19.)

1 Section 25-15. The Service Use Tax Act is amended by
2 changing Section 3-8 as follows:

3 (35 ILCS 110/3-8)

4 Sec. 3-8. Hospital exemption.

5 (a) Tangible ~~Until July 1, 2022, tangible~~ personal
6 property sold to or used by a hospital owner that owns one or
7 more hospitals licensed under the Hospital Licensing Act or
8 operated under the University of Illinois Hospital Act, or a
9 hospital affiliate that is not already exempt under another
10 provision of this Act and meets the criteria for an exemption
11 under this Section, is exempt from taxation under this Act.

12 (b) A hospital owner or hospital affiliate satisfies the
13 conditions for an exemption under this Section if the value of
14 qualified services or activities listed in subsection (c) of
15 this Section for the hospital year equals or exceeds the
16 relevant hospital entity's estimated property tax liability,
17 without regard to any property tax exemption granted under
18 Section 15-86 of the Property Tax Code, for the calendar year
19 in which exemption or renewal of exemption is sought. For
20 purposes of making the calculations required by this
21 subsection (b), if the relevant hospital entity is a hospital
22 owner that owns more than one hospital, the value of the
23 services or activities listed in subsection (c) shall be
24 calculated on the basis of only those services and activities

1 relating to the hospital that includes the subject property,
2 and the relevant hospital entity's estimated property tax
3 liability shall be calculated only with respect to the
4 properties comprising that hospital. In the case of a
5 multi-state hospital system or hospital affiliate, the value
6 of the services or activities listed in subsection (c) shall
7 be calculated on the basis of only those services and
8 activities that occur in Illinois and the relevant hospital
9 entity's estimated property tax liability shall be calculated
10 only with respect to its property located in Illinois.

11 (c) The following services and activities shall be
12 considered for purposes of making the calculations required by
13 subsection (b):

14 (1) Charity care. Free or discounted services provided
15 pursuant to the relevant hospital entity's financial
16 assistance policy, measured at cost, including discounts
17 provided under the Hospital Uninsured Patient Discount
18 Act.

19 (2) Health services to low-income and underserved
20 individuals. Other unreimbursed costs of the relevant
21 hospital entity for providing without charge, paying for,
22 or subsidizing goods, activities, or services for the
23 purpose of addressing the health of low-income or
24 underserved individuals. Those activities or services may
25 include, but are not limited to: financial or in-kind
26 support to affiliated or unaffiliated hospitals, hospital

1 affiliates, community clinics, or programs that treat
2 low-income or underserved individuals; paying for or
3 subsidizing health care professionals who care for
4 low-income or underserved individuals; providing or
5 subsidizing outreach or educational services to low-income
6 or underserved individuals for disease management and
7 prevention; free or subsidized goods, supplies, or
8 services needed by low-income or underserved individuals
9 because of their medical condition; and prenatal or
10 childbirth outreach to low-income or underserved persons.

11 (3) Subsidy of State or local governments. Direct or
12 indirect financial or in-kind subsidies of State or local
13 governments by the relevant hospital entity that pay for
14 or subsidize activities or programs related to health care
15 for low-income or underserved individuals.

16 (4) Support for State health care programs for
17 low-income individuals. At the election of the hospital
18 applicant for each applicable year, either (A) 10% of
19 payments to the relevant hospital entity and any hospital
20 affiliate designated by the relevant hospital entity
21 (provided that such hospital affiliate's operations
22 provide financial or operational support for or receive
23 financial or operational support from the relevant
24 hospital entity) under Medicaid or other means-tested
25 programs, including, but not limited to, General
26 Assistance, the Covering ALL KIDS Health Insurance Act,

1 and the State Children's Health Insurance Program or (B)
2 the amount of subsidy provided by the relevant hospital
3 entity and any hospital affiliate designated by the
4 relevant hospital entity (provided that such hospital
5 affiliate's operations provide financial or operational
6 support for or receive financial or operational support
7 from the relevant hospital entity) to State or local
8 government in treating Medicaid recipients and recipients
9 of means-tested programs, including but not limited to
10 General Assistance, the Covering ALL KIDS Health Insurance
11 Act, and the State Children's Health Insurance Program.
12 The amount of subsidy for purposes of this item (4) is
13 calculated in the same manner as unreimbursed costs are
14 calculated for Medicaid and other means-tested government
15 programs in the Schedule H of IRS Form 990 in effect on the
16 effective date of this amendatory Act of the 97th General
17 Assembly.

18 (5) Dual-eligible subsidy. The amount of subsidy
19 provided to government by treating dual-eligible
20 Medicare/Medicaid patients. The amount of subsidy for
21 purposes of this item (5) is calculated by multiplying the
22 relevant hospital entity's unreimbursed costs for
23 Medicare, calculated in the same manner as determined in
24 the Schedule H of IRS Form 990 in effect on the effective
25 date of this amendatory Act of the 97th General Assembly,
26 by the relevant hospital entity's ratio of dual-eligible

1 patients to total Medicare patients.

2 (6) Relief of the burden of government related to
3 health care. Except to the extent otherwise taken into
4 account in this subsection, the portion of unreimbursed
5 costs of the relevant hospital entity attributable to
6 providing, paying for, or subsidizing goods, activities,
7 or services that relieve the burden of government related
8 to health care for low-income individuals. Such activities
9 or services shall include, but are not limited to,
10 providing emergency, trauma, burn, neonatal, psychiatric,
11 rehabilitation, or other special services; providing
12 medical education; and conducting medical research or
13 training of health care professionals. The portion of
14 those unreimbursed costs attributable to benefiting
15 low-income individuals shall be determined using the ratio
16 calculated by adding the relevant hospital entity's costs
17 attributable to charity care, Medicaid, other means-tested
18 government programs, Medicare patients with disabilities
19 under age 65, and dual-eligible Medicare/Medicaid patients
20 and dividing that total by the relevant hospital entity's
21 total costs. Such costs for the numerator and denominator
22 shall be determined by multiplying gross charges by the
23 cost to charge ratio taken from the hospital's most
24 recently filed Medicare cost report (CMS 2252-10
25 Worksheet, Part I). In the case of emergency services, the
26 ratio shall be calculated using costs (gross charges

1 multiplied by the cost to charge ratio taken from the
2 hospital's most recently filed Medicare cost report (CMS
3 2252-10 Worksheet, Part I)) of patients treated in the
4 relevant hospital entity's emergency department.

5 (7) Any other activity by the relevant hospital entity
6 that the Department determines relieves the burden of
7 government or addresses the health of low-income or
8 underserved individuals.

9 (d) The hospital applicant shall include information in
10 its exemption application establishing that it satisfies the
11 requirements of subsection (b). For purposes of making the
12 calculations required by subsection (b), the hospital
13 applicant may for each year elect to use either (1) the value
14 of the services or activities listed in subsection (e) for the
15 hospital year or (2) the average value of those services or
16 activities for the 3 fiscal years ending with the hospital
17 year. If the relevant hospital entity has been in operation
18 for less than 3 completed fiscal years, then the latter
19 calculation, if elected, shall be performed on a pro rata
20 basis.

21 (e) For purposes of making the calculations required by
22 this Section:

23 (1) particular services or activities eligible for
24 consideration under any of the paragraphs (1) through (7)
25 of subsection (c) may not be counted under more than one of
26 those paragraphs; and

1 (2) the amount of unreimbursed costs and the amount of
2 subsidy shall not be reduced by restricted or unrestricted
3 payments received by the relevant hospital entity as
4 contributions deductible under Section 170(a) of the
5 Internal Revenue Code.

6 (f) (Blank).

7 (g) Estimation of Exempt Property Tax Liability. The
8 estimated property tax liability used for the determination in
9 subsection (b) shall be calculated as follows:

10 (1) "Estimated property tax liability" means the
11 estimated dollar amount of property tax that would be
12 owed, with respect to the exempt portion of each of the
13 relevant hospital entity's properties that are already
14 fully or partially exempt, or for which an exemption in
15 whole or in part is currently being sought, and then
16 aggregated as applicable, as if the exempt portion of
17 those properties were subject to tax, calculated with
18 respect to each such property by multiplying:

19 (A) the lesser of (i) the actual assessed value,
20 if any, of the portion of the property for which an
21 exemption is sought or (ii) an estimated assessed
22 value of the exempt portion of such property as
23 determined in item (2) of this subsection (g), by

24 (B) the applicable State equalization rate
25 (yielding the equalized assessed value), by

26 (C) the applicable tax rate.

1 (2) The estimated assessed value of the exempt portion
2 of the property equals the sum of (i) the estimated fair
3 market value of buildings on the property, as determined
4 in accordance with subparagraphs (A) and (B) of this item
5 (2), multiplied by the applicable assessment factor, and
6 (ii) the estimated assessed value of the land portion of
7 the property, as determined in accordance with
8 subparagraph (C).

9 (A) The "estimated fair market value of buildings
10 on the property" means the replacement value of any
11 exempt portion of buildings on the property, minus
12 depreciation, determined utilizing the cost
13 replacement method whereby the exempt square footage
14 of all such buildings is multiplied by the replacement
15 cost per square foot for Class A Average building
16 found in the most recent edition of the Marshall &
17 Swift Valuation Services Manual, adjusted by any
18 appropriate current cost and local multipliers.

19 (B) Depreciation, for purposes of calculating the
20 estimated fair market value of buildings on the
21 property, is applied by utilizing a weighted mean life
22 for the buildings based on original construction and
23 assuming a 40-year life for hospital buildings and the
24 applicable life for other types of buildings as
25 specified in the American Hospital Association
26 publication "Estimated Useful Lives of Depreciable

1 Hospital Assets". In the case of hospital buildings,
2 the remaining life is divided by 40 and this ratio is
3 multiplied by the replacement cost of the buildings to
4 obtain an estimated fair market value of buildings. If
5 a hospital building is older than 35 years, a
6 remaining life of 5 years for residual value is
7 assumed; and if a building is less than 8 years old, a
8 remaining life of 32 years is assumed.

9 (C) The estimated assessed value of the land
10 portion of the property shall be determined by
11 multiplying (i) the per square foot average of the
12 assessed values of three parcels of land (not
13 including farm land, and excluding the assessed value
14 of the improvements thereon) reasonably comparable to
15 the property, by (ii) the number of square feet
16 comprising the exempt portion of the property's land
17 square footage.

18 (3) The assessment factor, State equalization rate,
19 and tax rate (including any special factors such as
20 Enterprise Zones) used in calculating the estimated
21 property tax liability shall be for the most recent year
22 that is publicly available from the applicable chief
23 county assessment officer or officers at least 90 days
24 before the end of the hospital year.

25 (4) The method utilized to calculate estimated
26 property tax liability for purposes of this Section 15-86

1 shall not be utilized for the actual valuation,
2 assessment, or taxation of property pursuant to the
3 Property Tax Code.

4 (h) For the purpose of this Section, the following terms
5 shall have the meanings set forth below:

6 (1) "Hospital" means any institution, place, building,
7 buildings on a campus, or other health care facility
8 located in Illinois that is licensed under the Hospital
9 Licensing Act and has a hospital owner.

10 (2) "Hospital owner" means a not-for-profit
11 corporation that is the titleholder of a hospital, or the
12 owner of the beneficial interest in an Illinois land trust
13 that is the titleholder of a hospital.

14 (3) "Hospital affiliate" means any corporation,
15 partnership, limited partnership, joint venture, limited
16 liability company, association or other organization,
17 other than a hospital owner, that directly or indirectly
18 controls, is controlled by, or is under common control
19 with one or more hospital owners and that supports, is
20 supported by, or acts in furtherance of the exempt health
21 care purposes of at least one of those hospital owners'
22 hospitals.

23 (4) "Hospital system" means a hospital and one or more
24 other hospitals or hospital affiliates related by common
25 control or ownership.

26 (5) "Control" relating to hospital owners, hospital

1 affiliates, or hospital systems means possession, direct
2 or indirect, of the power to direct or cause the direction
3 of the management and policies of the entity, whether
4 through ownership of assets, membership interest, other
5 voting or governance rights, by contract or otherwise.

6 (6) "Hospital applicant" means a hospital owner or
7 hospital affiliate that files an application for an
8 exemption or renewal of exemption under this Section.

9 (7) "Relevant hospital entity" means (A) the hospital
10 owner, in the case of a hospital applicant that is a
11 hospital owner, and (B) at the election of a hospital
12 applicant that is a hospital affiliate, either (i) the
13 hospital affiliate or (ii) the hospital system to which
14 the hospital applicant belongs, including any hospitals or
15 hospital affiliates that are related by common control or
16 ownership.

17 (8) "Subject property" means property used for the
18 calculation under subsection (b) of this Section.

19 (9) "Hospital year" means the fiscal year of the
20 relevant hospital entity, or the fiscal year of one of the
21 hospital owners in the hospital system if the relevant
22 hospital entity is a hospital system with members with
23 different fiscal years, that ends in the year for which
24 the exemption is sought.

25 (i) It is the intent of the General Assembly that any
26 exemptions taken, granted, or renewed under this Section prior

1 to the effective date of this amendatory Act of the 100th
2 General Assembly are hereby validated.

3 (j) It is the intent of the General Assembly that the
4 exemption under this Section applies on a continuous basis. If
5 this amendatory Act of the 102nd General Assembly takes effect
6 after July 1, 2022, any exemptions taken, granted, or renewed
7 under this Section on or after July 1, 2022 and prior to the
8 effective date of this amendatory Act of the 102nd General
9 Assembly are hereby validated.

10 (k) This Section is exempt from the provisions of Section
11 3-75.

12 (Source: P.A. 99-143, eff. 7-27-15; 100-1181, eff. 3-8-19.)

13 Section 25-20. The Service Occupation Tax Act is amended
14 by changing Section 3-8 as follows:

15 (35 ILCS 115/3-8)

16 Sec. 3-8. Hospital exemption.

17 (a) Tangible ~~Until July 1, 2022, tangible~~ personal
18 property sold to or used by a hospital owner that owns one or
19 more hospitals licensed under the Hospital Licensing Act or
20 operated under the University of Illinois Hospital Act, or a
21 hospital affiliate that is not already exempt under another
22 provision of this Act and meets the criteria for an exemption
23 under this Section, is exempt from taxation under this Act.

24 (b) A hospital owner or hospital affiliate satisfies the

1 conditions for an exemption under this Section if the value of
2 qualified services or activities listed in subsection (c) of
3 this Section for the hospital year equals or exceeds the
4 relevant hospital entity's estimated property tax liability,
5 without regard to any property tax exemption granted under
6 Section 15-86 of the Property Tax Code, for the calendar year
7 in which exemption or renewal of exemption is sought. For
8 purposes of making the calculations required by this
9 subsection (b), if the relevant hospital entity is a hospital
10 owner that owns more than one hospital, the value of the
11 services or activities listed in subsection (c) shall be
12 calculated on the basis of only those services and activities
13 relating to the hospital that includes the subject property,
14 and the relevant hospital entity's estimated property tax
15 liability shall be calculated only with respect to the
16 properties comprising that hospital. In the case of a
17 multi-state hospital system or hospital affiliate, the value
18 of the services or activities listed in subsection (c) shall
19 be calculated on the basis of only those services and
20 activities that occur in Illinois and the relevant hospital
21 entity's estimated property tax liability shall be calculated
22 only with respect to its property located in Illinois.

23 (c) The following services and activities shall be
24 considered for purposes of making the calculations required by
25 subsection (b):

26 (1) Charity care. Free or discounted services provided

1 pursuant to the relevant hospital entity's financial
2 assistance policy, measured at cost, including discounts
3 provided under the Hospital Uninsured Patient Discount
4 Act.

5 (2) Health services to low-income and underserved
6 individuals. Other unreimbursed costs of the relevant
7 hospital entity for providing without charge, paying for,
8 or subsidizing goods, activities, or services for the
9 purpose of addressing the health of low-income or
10 underserved individuals. Those activities or services may
11 include, but are not limited to: financial or in-kind
12 support to affiliated or unaffiliated hospitals, hospital
13 affiliates, community clinics, or programs that treat
14 low-income or underserved individuals; paying for or
15 subsidizing health care professionals who care for
16 low-income or underserved individuals; providing or
17 subsidizing outreach or educational services to low-income
18 or underserved individuals for disease management and
19 prevention; free or subsidized goods, supplies, or
20 services needed by low-income or underserved individuals
21 because of their medical condition; and prenatal or
22 childbirth outreach to low-income or underserved persons.

23 (3) Subsidy of State or local governments. Direct or
24 indirect financial or in-kind subsidies of State or local
25 governments by the relevant hospital entity that pay for
26 or subsidize activities or programs related to health care

1 for low-income or underserved individuals.

2 (4) Support for State health care programs for
3 low-income individuals. At the election of the hospital
4 applicant for each applicable year, either (A) 10% of
5 payments to the relevant hospital entity and any hospital
6 affiliate designated by the relevant hospital entity
7 (provided that such hospital affiliate's operations
8 provide financial or operational support for or receive
9 financial or operational support from the relevant
10 hospital entity) under Medicaid or other means-tested
11 programs, including, but not limited to, General
12 Assistance, the Covering ALL KIDS Health Insurance Act,
13 and the State Children's Health Insurance Program or (B)
14 the amount of subsidy provided by the relevant hospital
15 entity and any hospital affiliate designated by the
16 relevant hospital entity (provided that such hospital
17 affiliate's operations provide financial or operational
18 support for or receive financial or operational support
19 from the relevant hospital entity) to State or local
20 government in treating Medicaid recipients and recipients
21 of means-tested programs, including but not limited to
22 General Assistance, the Covering ALL KIDS Health Insurance
23 Act, and the State Children's Health Insurance Program.
24 The amount of subsidy for purposes of this item (4) is
25 calculated in the same manner as unreimbursed costs are
26 calculated for Medicaid and other means-tested government

1 programs in the Schedule H of IRS Form 990 in effect on the
2 effective date of this amendatory Act of the 97th General
3 Assembly.

4 (5) Dual-eligible subsidy. The amount of subsidy
5 provided to government by treating dual-eligible
6 Medicare/Medicaid patients. The amount of subsidy for
7 purposes of this item (5) is calculated by multiplying the
8 relevant hospital entity's unreimbursed costs for
9 Medicare, calculated in the same manner as determined in
10 the Schedule H of IRS Form 990 in effect on the effective
11 date of this amendatory Act of the 97th General Assembly,
12 by the relevant hospital entity's ratio of dual-eligible
13 patients to total Medicare patients.

14 (6) Relief of the burden of government related to
15 health care. Except to the extent otherwise taken into
16 account in this subsection, the portion of unreimbursed
17 costs of the relevant hospital entity attributable to
18 providing, paying for, or subsidizing goods, activities,
19 or services that relieve the burden of government related
20 to health care for low-income individuals. Such activities
21 or services shall include, but are not limited to,
22 providing emergency, trauma, burn, neonatal, psychiatric,
23 rehabilitation, or other special services; providing
24 medical education; and conducting medical research or
25 training of health care professionals. The portion of
26 those unreimbursed costs attributable to benefiting

1 low-income individuals shall be determined using the ratio
2 calculated by adding the relevant hospital entity's costs
3 attributable to charity care, Medicaid, other means-tested
4 government programs, Medicare patients with disabilities
5 under age 65, and dual-eligible Medicare/Medicaid patients
6 and dividing that total by the relevant hospital entity's
7 total costs. Such costs for the numerator and denominator
8 shall be determined by multiplying gross charges by the
9 cost to charge ratio taken from the hospital's most
10 recently filed Medicare cost report (CMS 2252-10
11 Worksheet, Part I). In the case of emergency services, the
12 ratio shall be calculated using costs (gross charges
13 multiplied by the cost to charge ratio taken from the
14 hospital's most recently filed Medicare cost report (CMS
15 2252-10 Worksheet, Part I)) of patients treated in the
16 relevant hospital entity's emergency department.

17 (7) Any other activity by the relevant hospital entity
18 that the Department determines relieves the burden of
19 government or addresses the health of low-income or
20 underserved individuals.

21 (d) The hospital applicant shall include information in
22 its exemption application establishing that it satisfies the
23 requirements of subsection (b). For purposes of making the
24 calculations required by subsection (b), the hospital
25 applicant may for each year elect to use either (1) the value
26 of the services or activities listed in subsection (e) for the

1 hospital year or (2) the average value of those services or
2 activities for the 3 fiscal years ending with the hospital
3 year. If the relevant hospital entity has been in operation
4 for less than 3 completed fiscal years, then the latter
5 calculation, if elected, shall be performed on a pro rata
6 basis.

7 (e) For purposes of making the calculations required by
8 this Section:

9 (1) particular services or activities eligible for
10 consideration under any of the paragraphs (1) through (7)
11 of subsection (c) may not be counted under more than one of
12 those paragraphs; and

13 (2) the amount of unreimbursed costs and the amount of
14 subsidy shall not be reduced by restricted or unrestricted
15 payments received by the relevant hospital entity as
16 contributions deductible under Section 170(a) of the
17 Internal Revenue Code.

18 (f) (Blank).

19 (g) Estimation of Exempt Property Tax Liability. The
20 estimated property tax liability used for the determination in
21 subsection (b) shall be calculated as follows:

22 (1) "Estimated property tax liability" means the
23 estimated dollar amount of property tax that would be
24 owed, with respect to the exempt portion of each of the
25 relevant hospital entity's properties that are already
26 fully or partially exempt, or for which an exemption in

1 whole or in part is currently being sought, and then
2 aggregated as applicable, as if the exempt portion of
3 those properties were subject to tax, calculated with
4 respect to each such property by multiplying:

5 (A) the lesser of (i) the actual assessed value,
6 if any, of the portion of the property for which an
7 exemption is sought or (ii) an estimated assessed
8 value of the exempt portion of such property as
9 determined in item (2) of this subsection (g), by

10 (B) the applicable State equalization rate
11 (yielding the equalized assessed value), by

12 (C) the applicable tax rate.

13 (2) The estimated assessed value of the exempt portion
14 of the property equals the sum of (i) the estimated fair
15 market value of buildings on the property, as determined
16 in accordance with subparagraphs (A) and (B) of this item
17 (2), multiplied by the applicable assessment factor, and
18 (ii) the estimated assessed value of the land portion of
19 the property, as determined in accordance with
20 subparagraph (C).

21 (A) The "estimated fair market value of buildings
22 on the property" means the replacement value of any
23 exempt portion of buildings on the property, minus
24 depreciation, determined utilizing the cost
25 replacement method whereby the exempt square footage
26 of all such buildings is multiplied by the replacement

1 cost per square foot for Class A Average building
2 found in the most recent edition of the Marshall &
3 Swift Valuation Services Manual, adjusted by any
4 appropriate current cost and local multipliers.

5 (B) Depreciation, for purposes of calculating the
6 estimated fair market value of buildings on the
7 property, is applied by utilizing a weighted mean life
8 for the buildings based on original construction and
9 assuming a 40-year life for hospital buildings and the
10 applicable life for other types of buildings as
11 specified in the American Hospital Association
12 publication "Estimated Useful Lives of Depreciable
13 Hospital Assets". In the case of hospital buildings,
14 the remaining life is divided by 40 and this ratio is
15 multiplied by the replacement cost of the buildings to
16 obtain an estimated fair market value of buildings. If
17 a hospital building is older than 35 years, a
18 remaining life of 5 years for residual value is
19 assumed; and if a building is less than 8 years old, a
20 remaining life of 32 years is assumed.

21 (C) The estimated assessed value of the land
22 portion of the property shall be determined by
23 multiplying (i) the per square foot average of the
24 assessed values of three parcels of land (not
25 including farm land, and excluding the assessed value
26 of the improvements thereon) reasonably comparable to

1 the property, by (ii) the number of square feet
2 comprising the exempt portion of the property's land
3 square footage.

4 (3) The assessment factor, State equalization rate,
5 and tax rate (including any special factors such as
6 Enterprise Zones) used in calculating the estimated
7 property tax liability shall be for the most recent year
8 that is publicly available from the applicable chief
9 county assessment officer or officers at least 90 days
10 before the end of the hospital year.

11 (4) The method utilized to calculate estimated
12 property tax liability for purposes of this Section 15-86
13 shall not be utilized for the actual valuation,
14 assessment, or taxation of property pursuant to the
15 Property Tax Code.

16 (h) For the purpose of this Section, the following terms
17 shall have the meanings set forth below:

18 (1) "Hospital" means any institution, place, building,
19 buildings on a campus, or other health care facility
20 located in Illinois that is licensed under the Hospital
21 Licensing Act and has a hospital owner.

22 (2) "Hospital owner" means a not-for-profit
23 corporation that is the titleholder of a hospital, or the
24 owner of the beneficial interest in an Illinois land trust
25 that is the titleholder of a hospital.

26 (3) "Hospital affiliate" means any corporation,

1 partnership, limited partnership, joint venture, limited
2 liability company, association or other organization,
3 other than a hospital owner, that directly or indirectly
4 controls, is controlled by, or is under common control
5 with one or more hospital owners and that supports, is
6 supported by, or acts in furtherance of the exempt health
7 care purposes of at least one of those hospital owners'
8 hospitals.

9 (4) "Hospital system" means a hospital and one or more
10 other hospitals or hospital affiliates related by common
11 control or ownership.

12 (5) "Control" relating to hospital owners, hospital
13 affiliates, or hospital systems means possession, direct
14 or indirect, of the power to direct or cause the direction
15 of the management and policies of the entity, whether
16 through ownership of assets, membership interest, other
17 voting or governance rights, by contract or otherwise.

18 (6) "Hospital applicant" means a hospital owner or
19 hospital affiliate that files an application for an
20 exemption or renewal of exemption under this Section.

21 (7) "Relevant hospital entity" means (A) the hospital
22 owner, in the case of a hospital applicant that is a
23 hospital owner, and (B) at the election of a hospital
24 applicant that is a hospital affiliate, either (i) the
25 hospital affiliate or (ii) the hospital system to which
26 the hospital applicant belongs, including any hospitals or

1 hospital affiliates that are related by common control or
2 ownership.

3 (8) "Subject property" means property used for the
4 calculation under subsection (b) of this Section.

5 (9) "Hospital year" means the fiscal year of the
6 relevant hospital entity, or the fiscal year of one of the
7 hospital owners in the hospital system if the relevant
8 hospital entity is a hospital system with members with
9 different fiscal years, that ends in the year for which
10 the exemption is sought.

11 (i) It is the intent of the General Assembly that any
12 exemptions taken, granted, or renewed under this Section prior
13 to the effective date of this amendatory Act of the 100th
14 General Assembly are hereby validated.

15 (j) It is the intent of the General Assembly that the
16 exemption under this Section applies on a continuous basis. If
17 this amendatory Act of the 102nd General Assembly takes effect
18 after July 1, 2022, any exemptions taken, granted, or renewed
19 under this Section on or after July 1, 2022 and prior to the
20 effective date of this amendatory Act of the 102nd General
21 Assembly are hereby validated.

22 (k) This Section is exempt from the provisions of Section
23 3-55.

24 (Source: P.A. 99-143, eff. 7-27-15; 100-1181, eff. 3-8-19.)

25 Section 25-25. The Retailers' Occupation Tax Act is

1 amended by changing Section 2-9 as follows:

2 (35 ILCS 120/2-9)

3 Sec. 2-9. Hospital exemption.

4 (a) Tangible ~~Until July 1, 2022, tangible~~ personal
5 property sold to or used by a hospital owner that owns one or
6 more hospitals licensed under the Hospital Licensing Act or
7 operated under the University of Illinois Hospital Act, or a
8 hospital affiliate that is not already exempt under another
9 provision of this Act and meets the criteria for an exemption
10 under this Section, is exempt from taxation under this Act.

11 (b) A hospital owner or hospital affiliate satisfies the
12 conditions for an exemption under this Section if the value of
13 qualified services or activities listed in subsection (c) of
14 this Section for the hospital year equals or exceeds the
15 relevant hospital entity's estimated property tax liability,
16 without regard to any property tax exemption granted under
17 Section 15-86 of the Property Tax Code, for the calendar year
18 in which exemption or renewal of exemption is sought. For
19 purposes of making the calculations required by this
20 subsection (b), if the relevant hospital entity is a hospital
21 owner that owns more than one hospital, the value of the
22 services or activities listed in subsection (c) shall be
23 calculated on the basis of only those services and activities
24 relating to the hospital that includes the subject property,
25 and the relevant hospital entity's estimated property tax

1 liability shall be calculated only with respect to the
2 properties comprising that hospital. In the case of a
3 multi-state hospital system or hospital affiliate, the value
4 of the services or activities listed in subsection (c) shall
5 be calculated on the basis of only those services and
6 activities that occur in Illinois and the relevant hospital
7 entity's estimated property tax liability shall be calculated
8 only with respect to its property located in Illinois.

9 (c) The following services and activities shall be
10 considered for purposes of making the calculations required by
11 subsection (b):

12 (1) Charity care. Free or discounted services provided
13 pursuant to the relevant hospital entity's financial
14 assistance policy, measured at cost, including discounts
15 provided under the Hospital Uninsured Patient Discount
16 Act.

17 (2) Health services to low-income and underserved
18 individuals. Other unreimbursed costs of the relevant
19 hospital entity for providing without charge, paying for,
20 or subsidizing goods, activities, or services for the
21 purpose of addressing the health of low-income or
22 underserved individuals. Those activities or services may
23 include, but are not limited to: financial or in-kind
24 support to affiliated or unaffiliated hospitals, hospital
25 affiliates, community clinics, or programs that treat
26 low-income or underserved individuals; paying for or

1 subsidizing health care professionals who care for
2 low-income or underserved individuals; providing or
3 subsidizing outreach or educational services to low-income
4 or underserved individuals for disease management and
5 prevention; free or subsidized goods, supplies, or
6 services needed by low-income or underserved individuals
7 because of their medical condition; and prenatal or
8 childbirth outreach to low-income or underserved persons.

9 (3) Subsidy of State or local governments. Direct or
10 indirect financial or in-kind subsidies of State or local
11 governments by the relevant hospital entity that pay for
12 or subsidize activities or programs related to health care
13 for low-income or underserved individuals.

14 (4) Support for State health care programs for
15 low-income individuals. At the election of the hospital
16 applicant for each applicable year, either (A) 10% of
17 payments to the relevant hospital entity and any hospital
18 affiliate designated by the relevant hospital entity
19 (provided that such hospital affiliate's operations
20 provide financial or operational support for or receive
21 financial or operational support from the relevant
22 hospital entity) under Medicaid or other means-tested
23 programs, including, but not limited to, General
24 Assistance, the Covering ALL KIDS Health Insurance Act,
25 and the State Children's Health Insurance Program or (B)
26 the amount of subsidy provided by the relevant hospital

1 entity and any hospital affiliate designated by the
2 relevant hospital entity (provided that such hospital
3 affiliate's operations provide financial or operational
4 support for or receive financial or operational support
5 from the relevant hospital entity) to State or local
6 government in treating Medicaid recipients and recipients
7 of means-tested programs, including but not limited to
8 General Assistance, the Covering ALL KIDS Health Insurance
9 Act, and the State Children's Health Insurance Program.
10 The amount of subsidy for purposes of this item (4) is
11 calculated in the same manner as unreimbursed costs are
12 calculated for Medicaid and other means-tested government
13 programs in the Schedule H of IRS Form 990 in effect on the
14 effective date of this amendatory Act of the 97th General
15 Assembly.

16 (5) Dual-eligible subsidy. The amount of subsidy
17 provided to government by treating dual-eligible
18 Medicare/Medicaid patients. The amount of subsidy for
19 purposes of this item (5) is calculated by multiplying the
20 relevant hospital entity's unreimbursed costs for
21 Medicare, calculated in the same manner as determined in
22 the Schedule H of IRS Form 990 in effect on the effective
23 date of this amendatory Act of the 97th General Assembly,
24 by the relevant hospital entity's ratio of dual-eligible
25 patients to total Medicare patients.

26 (6) Relief of the burden of government related to

1 health care. Except to the extent otherwise taken into
2 account in this subsection, the portion of unreimbursed
3 costs of the relevant hospital entity attributable to
4 providing, paying for, or subsidizing goods, activities,
5 or services that relieve the burden of government related
6 to health care for low-income individuals. Such activities
7 or services shall include, but are not limited to,
8 providing emergency, trauma, burn, neonatal, psychiatric,
9 rehabilitation, or other special services; providing
10 medical education; and conducting medical research or
11 training of health care professionals. The portion of
12 those unreimbursed costs attributable to benefiting
13 low-income individuals shall be determined using the ratio
14 calculated by adding the relevant hospital entity's costs
15 attributable to charity care, Medicaid, other means-tested
16 government programs, Medicare patients with disabilities
17 under age 65, and dual-eligible Medicare/Medicaid patients
18 and dividing that total by the relevant hospital entity's
19 total costs. Such costs for the numerator and denominator
20 shall be determined by multiplying gross charges by the
21 cost to charge ratio taken from the hospital's most
22 recently filed Medicare cost report (CMS 2252-10
23 Worksheet, Part I). In the case of emergency services, the
24 ratio shall be calculated using costs (gross charges
25 multiplied by the cost to charge ratio taken from the
26 hospital's most recently filed Medicare cost report (CMS

1 2252-10 Worksheet, Part I)) of patients treated in the
2 relevant hospital entity's emergency department.

3 (7) Any other activity by the relevant hospital entity
4 that the Department determines relieves the burden of
5 government or addresses the health of low-income or
6 underserved individuals.

7 (d) The hospital applicant shall include information in
8 its exemption application establishing that it satisfies the
9 requirements of subsection (b). For purposes of making the
10 calculations required by subsection (b), the hospital
11 applicant may for each year elect to use either (1) the value
12 of the services or activities listed in subsection (e) for the
13 hospital year or (2) the average value of those services or
14 activities for the 3 fiscal years ending with the hospital
15 year. If the relevant hospital entity has been in operation
16 for less than 3 completed fiscal years, then the latter
17 calculation, if elected, shall be performed on a pro rata
18 basis.

19 (e) For purposes of making the calculations required by
20 this Section:

21 (1) particular services or activities eligible for
22 consideration under any of the paragraphs (1) through (7)
23 of subsection (c) may not be counted under more than one of
24 those paragraphs; and

25 (2) the amount of unreimbursed costs and the amount of
26 subsidy shall not be reduced by restricted or unrestricted

1 payments received by the relevant hospital entity as
2 contributions deductible under Section 170(a) of the
3 Internal Revenue Code.

4 (f) (Blank).

5 (g) Estimation of Exempt Property Tax Liability. The
6 estimated property tax liability used for the determination in
7 subsection (b) shall be calculated as follows:

8 (1) "Estimated property tax liability" means the
9 estimated dollar amount of property tax that would be
10 owed, with respect to the exempt portion of each of the
11 relevant hospital entity's properties that are already
12 fully or partially exempt, or for which an exemption in
13 whole or in part is currently being sought, and then
14 aggregated as applicable, as if the exempt portion of
15 those properties were subject to tax, calculated with
16 respect to each such property by multiplying:

17 (A) the lesser of (i) the actual assessed value,
18 if any, of the portion of the property for which an
19 exemption is sought or (ii) an estimated assessed
20 value of the exempt portion of such property as
21 determined in item (2) of this subsection (g), by

22 (B) the applicable State equalization rate
23 (yielding the equalized assessed value), by

24 (C) the applicable tax rate.

25 (2) The estimated assessed value of the exempt portion
26 of the property equals the sum of (i) the estimated fair

1 market value of buildings on the property, as determined
2 in accordance with subparagraphs (A) and (B) of this item
3 (2), multiplied by the applicable assessment factor, and
4 (ii) the estimated assessed value of the land portion of
5 the property, as determined in accordance with
6 subparagraph (C).

7 (A) The "estimated fair market value of buildings
8 on the property" means the replacement value of any
9 exempt portion of buildings on the property, minus
10 depreciation, determined utilizing the cost
11 replacement method whereby the exempt square footage
12 of all such buildings is multiplied by the replacement
13 cost per square foot for Class A Average building
14 found in the most recent edition of the Marshall &
15 Swift Valuation Services Manual, adjusted by any
16 appropriate current cost and local multipliers.

17 (B) Depreciation, for purposes of calculating the
18 estimated fair market value of buildings on the
19 property, is applied by utilizing a weighted mean life
20 for the buildings based on original construction and
21 assuming a 40-year life for hospital buildings and the
22 applicable life for other types of buildings as
23 specified in the American Hospital Association
24 publication "Estimated Useful Lives of Depreciable
25 Hospital Assets". In the case of hospital buildings,
26 the remaining life is divided by 40 and this ratio is

1 multiplied by the replacement cost of the buildings to
2 obtain an estimated fair market value of buildings. If
3 a hospital building is older than 35 years, a
4 remaining life of 5 years for residual value is
5 assumed; and if a building is less than 8 years old, a
6 remaining life of 32 years is assumed.

7 (C) The estimated assessed value of the land
8 portion of the property shall be determined by
9 multiplying (i) the per square foot average of the
10 assessed values of three parcels of land (not
11 including farm land, and excluding the assessed value
12 of the improvements thereon) reasonably comparable to
13 the property, by (ii) the number of square feet
14 comprising the exempt portion of the property's land
15 square footage.

16 (3) The assessment factor, State equalization rate,
17 and tax rate (including any special factors such as
18 Enterprise Zones) used in calculating the estimated
19 property tax liability shall be for the most recent year
20 that is publicly available from the applicable chief
21 county assessment officer or officers at least 90 days
22 before the end of the hospital year.

23 (4) The method utilized to calculate estimated
24 property tax liability for purposes of this Section 15-86
25 shall not be utilized for the actual valuation,
26 assessment, or taxation of property pursuant to the

1 Property Tax Code.

2 (h) For the purpose of this Section, the following terms
3 shall have the meanings set forth below:

4 (1) "Hospital" means any institution, place, building,
5 buildings on a campus, or other health care facility
6 located in Illinois that is licensed under the Hospital
7 Licensing Act and has a hospital owner.

8 (2) "Hospital owner" means a not-for-profit
9 corporation that is the titleholder of a hospital, or the
10 owner of the beneficial interest in an Illinois land trust
11 that is the titleholder of a hospital.

12 (3) "Hospital affiliate" means any corporation,
13 partnership, limited partnership, joint venture, limited
14 liability company, association or other organization,
15 other than a hospital owner, that directly or indirectly
16 controls, is controlled by, or is under common control
17 with one or more hospital owners and that supports, is
18 supported by, or acts in furtherance of the exempt health
19 care purposes of at least one of those hospital owners'
20 hospitals.

21 (4) "Hospital system" means a hospital and one or more
22 other hospitals or hospital affiliates related by common
23 control or ownership.

24 (5) "Control" relating to hospital owners, hospital
25 affiliates, or hospital systems means possession, direct
26 or indirect, of the power to direct or cause the direction

1 of the management and policies of the entity, whether
2 through ownership of assets, membership interest, other
3 voting or governance rights, by contract or otherwise.

4 (6) "Hospital applicant" means a hospital owner or
5 hospital affiliate that files an application for an
6 exemption or renewal of exemption under this Section.

7 (7) "Relevant hospital entity" means (A) the hospital
8 owner, in the case of a hospital applicant that is a
9 hospital owner, and (B) at the election of a hospital
10 applicant that is a hospital affiliate, either (i) the
11 hospital affiliate or (ii) the hospital system to which
12 the hospital applicant belongs, including any hospitals or
13 hospital affiliates that are related by common control or
14 ownership.

15 (8) "Subject property" means property used for the
16 calculation under subsection (b) of this Section.

17 (9) "Hospital year" means the fiscal year of the
18 relevant hospital entity, or the fiscal year of one of the
19 hospital owners in the hospital system if the relevant
20 hospital entity is a hospital system with members with
21 different fiscal years, that ends in the year for which
22 the exemption is sought.

23 (i) It is the intent of the General Assembly that any
24 exemptions taken, granted, or renewed under this Section prior
25 to the effective date of this amendatory Act of the 100th
26 General Assembly are hereby validated.

1 before the last day of the first month following the close of
2 that quarter.

3 (c) Payments. With respect to amounts withheld or required
4 to be withheld on or after January 1, 2008:

5 (1) Semi-weekly payments. For each calendar year, each
6 employer who withheld or was required to withhold more
7 than \$12,000 during the one-year period ending on June 30
8 of the immediately preceding calendar year, payment must
9 be made:

10 (A) on or before each Friday of the calendar year,
11 for taxes withheld or required to be withheld on the
12 immediately preceding Saturday, Sunday, Monday, or
13 Tuesday;

14 (B) on or before each Wednesday of the calendar
15 year, for taxes withheld or required to be withheld on
16 the immediately preceding Wednesday, Thursday, or
17 Friday.

18 Beginning with calendar year 2011, payments made under
19 this paragraph (1) of subsection (c) must be made by
20 electronic funds transfer.

21 (2) Semi-weekly payments. Any employer who withholds
22 or is required to withhold more than \$12,000 in any
23 quarter of a calendar year is required to make payments on
24 the dates set forth under item (1) of this subsection (c)
25 for each remaining quarter of that calendar year and for
26 the subsequent calendar year.

1 (3) Monthly payments. Each employer, other than an
2 employer described in items (1) or (2) of this subsection,
3 shall pay to the Department, on or before the 15th day of
4 each month the taxes withheld or required to be withheld
5 during the immediately preceding month.

6 (4) Payments with returns. Each employer shall pay to
7 the Department, on or before the due date for each return
8 required to be filed under this Section, any tax withheld
9 or required to be withheld during the period for which the
10 return is due and not previously paid to the Department.

11 (d) Regulatory authority. The Department may, by rule:

12 (1) Permit employers, in lieu of the requirements of
13 subsections (b) and (c), to file annual returns due on or
14 before January 31 of the year for taxes withheld or
15 required to be withheld during the previous calendar year
16 and, if the aggregate amounts required to be withheld by
17 the employer under this Article 7 (other than amounts
18 required to be withheld under Section 709.5) do not exceed
19 \$1,000 for the previous calendar year, to pay the taxes
20 required to be shown on each such return no later than the
21 due date for such return.

22 (2) Provide that any payment required to be made under
23 subsection (c) (1) or (c) (2) is deemed to be timely to the
24 extent paid by electronic funds transfer on or before the
25 due date for deposit of federal income taxes withheld
26 from, or federal employment taxes due with respect to, the

1 wages from which the Illinois taxes were withheld.

2 (3) Designate one or more depositories to which
3 payment of taxes required to be withheld under this
4 Article 7 must be paid by some or all employers.

5 (4) Increase the threshold dollar amounts at which
6 employers are required to make semi-weekly payments under
7 subsection (c)(1) or (c)(2).

8 (e) Annual return and payment. Every employer who deducts
9 and withholds or is required to deduct and withhold tax from a
10 person engaged in domestic service employment, as that term is
11 defined in Section 3510 of the Internal Revenue Code, may
12 comply with the requirements of this Section with respect to
13 such employees by filing an annual return and paying the taxes
14 required to be deducted and withheld on or before the 15th day
15 of the fourth month following the close of the employer's
16 taxable year. The Department may allow the employer's return
17 to be submitted with the employer's individual income tax
18 return or to be submitted with a return due from the employer
19 under Section 1400.2 of the Unemployment Insurance Act.

20 (f) Magnetic media and electronic filing. With respect to
21 taxes withheld in calendar years prior to 2017, any W-2 Form
22 that, under the Internal Revenue Code and regulations
23 promulgated thereunder, is required to be submitted to the
24 Internal Revenue Service on magnetic media or electronically
25 must also be submitted to the Department on magnetic media or
26 electronically for Illinois purposes, if required by the

1 Department.

2 With respect to taxes withheld in 2017 and subsequent
3 calendar years, the Department may, by rule, require that any
4 return (including any amended return) under this Section and
5 any W-2 Form that is required to be submitted to the Department
6 must be submitted on magnetic media or electronically.

7 The due date for submitting W-2 Forms shall be as
8 prescribed by the Department by rule.

9 (g) For amounts deducted or withheld after December 31,
10 2009, a taxpayer who makes an election under subsection (f) of
11 Section 5-15 of the Economic Development for a Growing Economy
12 Tax Credit Act for a taxable year shall be allowed a credit
13 against payments due under this Section for amounts withheld
14 during the first calendar year beginning after the end of that
15 taxable year equal to the amount of the credit for the
16 incremental income tax attributable to full-time employees of
17 the taxpayer awarded to the taxpayer by the Department of
18 Commerce and Economic Opportunity under the Economic
19 Development for a Growing Economy Tax Credit Act for the
20 taxable year and credits not previously claimed and allowed to
21 be carried forward under Section 211(4) of this Act as
22 provided in subsection (f) of Section 5-15 of the Economic
23 Development for a Growing Economy Tax Credit Act. The credit
24 or credits may not reduce the taxpayer's obligation for any
25 payment due under this Section to less than zero. If the amount
26 of the credit or credits exceeds the total payments due under

1 this Section with respect to amounts withheld during the
2 calendar year, the excess may be carried forward and applied
3 against the taxpayer's liability under this Section in the
4 succeeding calendar years as allowed to be carried forward
5 under paragraph (4) of Section 211 of this Act. The credit or
6 credits shall be applied to the earliest year for which there
7 is a tax liability. If there are credits from more than one
8 taxable year that are available to offset a liability, the
9 earlier credit shall be applied first. Each employer who
10 deducts and withholds or is required to deduct and withhold
11 tax under this Act and who retains income tax withholdings
12 under subsection (f) of Section 5-15 of the Economic
13 Development for a Growing Economy Tax Credit Act must make a
14 return with respect to such taxes and retained amounts in the
15 form and manner that the Department, by rule, requires and pay
16 to the Department or to a depository designated by the
17 Department those withheld taxes not retained by the taxpayer.
18 For purposes of this subsection (g), the term taxpayer shall
19 include taxpayer and members of the taxpayer's unitary
20 business group as defined under paragraph (27) of subsection
21 (a) of Section 1501 of this Act. This Section is exempt from
22 the provisions of Section 250 of this Act. No credit awarded
23 under the Economic Development for a Growing Economy Tax
24 Credit Act for agreements entered into on or after January 1,
25 2015 may be credited against payments due under this Section.

26 (g-1) For amounts deducted or withheld after December 31,

1 2024, a taxpayer who makes an election under the Reimagining
2 Electric Vehicles in Illinois Act shall be allowed a credit
3 against payments due under this Section for amounts withheld
4 during the first quarterly reporting period beginning after
5 the certificate is issued equal to the portion of the REV
6 Illinois Credit attributable to the incremental income tax
7 attributable to new employees and retained employees as
8 certified by the Department of Commerce and Economic
9 Opportunity pursuant to an agreement with the taxpayer under
10 the Reimagining Electric Vehicles in Illinois Act for the
11 taxable year. The credit or credits may not reduce the
12 taxpayer's obligation for any payment due under this Section
13 to less than zero. If the amount of the credit or credits
14 exceeds the total payments due under this Section with respect
15 to amounts withheld during the quarterly reporting period, the
16 excess may be carried forward and applied against the
17 taxpayer's liability under this Section in the succeeding
18 quarterly reporting period as allowed to be carried forward
19 under paragraph (4) of Section 211 of this Act. The credit or
20 credits shall be applied to the earliest quarterly reporting
21 period for which there is a tax liability. If there are credits
22 from more than one quarterly reporting period that are
23 available to offset a liability, the earlier credit shall be
24 applied first. Each employer who deducts and withholds or is
25 required to deduct and withhold tax under this Act and who
26 retains income tax withholdings this subsection must make a

1 return with respect to such taxes and retained amounts in the
2 form and manner that the Department, by rule, requires and pay
3 to the Department or to a depository designated by the
4 Department those withheld taxes not retained by the taxpayer.
5 For purposes of this subsection (g-1), the term taxpayer shall
6 include taxpayer and members of the taxpayer's unitary
7 business group as defined under paragraph (27) of subsection
8 (a) of Section 1501 of this Act. This Section is exempt from
9 the provisions of Section 250 of this Act.

10 (h) An employer may claim a credit against payments due
11 under this Section for amounts withheld during the first
12 calendar year ending after the date on which a tax credit
13 certificate was issued under Section 35 of the Small Business
14 Job Creation Tax Credit Act. The credit shall be equal to the
15 amount shown on the certificate, but may not reduce the
16 taxpayer's obligation for any payment due under this Section
17 to less than zero. If the amount of the credit exceeds the
18 total payments due under this Section with respect to amounts
19 withheld during the calendar year, the excess may be carried
20 forward and applied against the taxpayer's liability under
21 this Section in the 5 succeeding calendar years. The credit
22 shall be applied to the earliest year for which there is a tax
23 liability. If there are credits from more than one calendar
24 year that are available to offset a liability, the earlier
25 credit shall be applied first. This Section is exempt from the
26 provisions of Section 250 of this Act.

1 (i) Each employer with 50 or fewer full-time equivalent
2 employees during the reporting period may claim a credit
3 against the payments due under this Section for each qualified
4 employee in an amount equal to the maximum credit allowable.
5 The credit may be taken against payments due for reporting
6 periods that begin on or after January 1, 2020, and end on or
7 before December 31, 2027. An employer may not claim a credit
8 for an employee who has worked fewer than 90 consecutive days
9 immediately preceding the reporting period; however, such
10 credits may accrue during that 90-day period and be claimed
11 against payments under this Section for future reporting
12 periods after the employee has worked for the employer at
13 least 90 consecutive days. In no event may the credit exceed
14 the employer's liability for the reporting period. Each
15 employer who deducts and withholds or is required to deduct
16 and withhold tax under this Act and who retains income tax
17 withholdings under this subsection must make a return with
18 respect to such taxes and retained amounts in the form and
19 manner that the Department, by rule, requires and pay to the
20 Department or to a depository designated by the Department
21 those withheld taxes not retained by the employer.

22 For each reporting period, the employer may not claim a
23 credit or credits for more employees than the number of
24 employees making less than the minimum or reduced wage for the
25 current calendar year during the last reporting period of the
26 preceding calendar year. Notwithstanding any other provision

1 of this subsection, an employer shall not be eligible for
2 credits for a reporting period unless the average wage paid by
3 the employer per employee for all employees making less than
4 \$55,000 during the reporting period is greater than the
5 average wage paid by the employer per employee for all
6 employees making less than \$55,000 during the same reporting
7 period of the prior calendar year.

8 For purposes of this subsection (i):

9 "Compensation paid in Illinois" has the meaning ascribed
10 to that term under Section 304(a)(2)(B) of this Act.

11 "Employer" and "employee" have the meaning ascribed to
12 those terms in the Minimum Wage Law, except that "employee"
13 also includes employees who work for an employer with fewer
14 than 4 employees. Employers that operate more than one
15 establishment pursuant to a franchise agreement or that
16 constitute members of a unitary business group shall aggregate
17 their employees for purposes of determining eligibility for
18 the credit.

19 "Full-time equivalent employees" means the ratio of the
20 number of paid hours during the reporting period and the
21 number of working hours in that period.

22 "Maximum credit" means the percentage listed below of the
23 difference between the amount of compensation paid in Illinois
24 to employees who are paid not more than the required minimum
25 wage reduced by the amount of compensation paid in Illinois to
26 employees who were paid less than the current required minimum

1 wage during the reporting period prior to each increase in the
2 required minimum wage on January 1. If an employer pays an
3 employee more than the required minimum wage and that employee
4 previously earned less than the required minimum wage, the
5 employer may include the portion that does not exceed the
6 required minimum wage as compensation paid in Illinois to
7 employees who are paid not more than the required minimum
8 wage.

9 (1) 25% for reporting periods beginning on or after
10 January 1, 2020 and ending on or before December 31, 2020;

11 (2) 21% for reporting periods beginning on or after
12 January 1, 2021 and ending on or before December 31, 2021;

13 (3) 17% for reporting periods beginning on or after
14 January 1, 2022 and ending on or before December 31, 2022;

15 (4) 13% for reporting periods beginning on or after
16 January 1, 2023 and ending on or before December 31, 2023;

17 (5) 9% for reporting periods beginning on or after
18 January 1, 2024 and ending on or before December 31, 2024;

19 (6) 5% for reporting periods beginning on or after
20 January 1, 2025 and ending on or before December 31, 2025.

21 The amount computed under this subsection may continue to
22 be claimed for reporting periods beginning on or after January
23 1, 2026 and:

24 (A) ending on or before December 31, 2026 for
25 employers with more than 5 employees; or

26 (B) ending on or before December 31, 2027 for

1 employers with no more than 5 employees.

2 "Qualified employee" means an employee who is paid not
3 more than the required minimum wage and has an average wage
4 paid per hour by the employer during the reporting period
5 equal to or greater than his or her average wage paid per hour
6 by the employer during each reporting period for the
7 immediately preceding 12 months. A new qualified employee is
8 deemed to have earned the required minimum wage in the
9 preceding reporting period.

10 "Reporting period" means the quarter for which a return is
11 required to be filed under subsection (b) of this Section.

12 (j) For reporting periods beginning on or after January 1,
13 2023, if a private employer grants all of its employees the
14 option of taking a paid leave of absence of at least 30 days
15 for the purpose of serving as an organ donor or bone marrow
16 donor, then the private employer may take a credit against the
17 payments due under this Section in an amount equal to the
18 amount withheld under this Section with respect to wages paid
19 while the employee is on organ donation leave, not to exceed
20 \$1,000 in withholdings for each employee who takes organ
21 donation leave. To be eligible for the credit, such a leave of
22 absence must be taken without loss of pay, vacation time,
23 compensatory time, personal days, or sick time for at least
24 the first 30 days of the leave of absence. The private employer
25 shall adopt rules governing organ donation leave, including
26 rules that (i) establish conditions and procedures for

1 requesting and approving leave and (ii) require medical
2 documentation of the proposed organ or bone marrow donation
3 before leave is approved by the private employer. A private
4 employer must provide, in the manner required by the
5 Department, documentation from the employee's medical
6 provider, which the private employer receives from the
7 employee, that verifies the employee's organ donation. The
8 private employer must also provide, in the manner required by
9 the Department, documentation that shows that a qualifying
10 organ donor leave policy was in place and offered to all
11 qualifying employees at the time the leave was taken. For the
12 private employer to receive the tax credit, the employee
13 taking organ donor leave must allow for the applicable medical
14 records to be disclosed to the Department. If the private
15 employer cannot provide the required documentation to the
16 Department, then the private employer is ineligible for the
17 credit under this Section. A private employer must also
18 provide, in the form required by the Department, any
19 additional documentation or information required by the
20 Department to administer the credit under this Section. The
21 credit under this subsection (j) shall be taken within one
22 year after the date upon which the organ donation leave
23 begins. If the leave taken spans into a second tax year, the
24 employer qualifies for the allowable credit in the later of
25 the 2 years. If the amount of credit exceeds the tax liability
26 for the year, the excess may be carried and applied to the tax

1 liability for the 3 taxable years following the excess credit
2 year. The tax credit shall be applied to the earliest year for
3 which there is a tax liability. If there are credits for more
4 than one year that are available to offset liability, the
5 earlier credit shall be applied first.

6 Nothing in this subsection (j) prohibits a private
7 employer from providing an unpaid leave of absence to its
8 employees for the purpose of serving as an organ donor or bone
9 marrow donor; however, if the employer's policy provides for
10 fewer than 30 days of paid leave for organ or bone marrow
11 donation, then the employer shall not be eligible for the
12 credit under this Section.

13 As used in this subsection (j):

14 "Organ" means any biological tissue of the human body
15 that may be donated by a living donor, including, but not
16 limited to, the kidney, liver, lung, pancreas, intestine,
17 bone, skin, or any subpart of those organs.

18 "Organ donor" means a person from whose body an organ
19 is taken to be transferred to the body of another person.

20 "Private employer" means a sole proprietorship,
21 corporation, partnership, limited liability company, or
22 other entity with one or more employees. "Private
23 employer" does not include a municipality, county, State
24 agency, or other public employer.

25 This subsection (j) is exempt from the provisions of
26 Section 250 of this Act.

1 (Source: P.A. 101-1, eff. 2-19-19; 102-669, eff. 11-16-21.)

2 ARTICLE 40. TAX REBATES

3 Section 40-3. The Illinois Administrative Procedure Act is
4 amended by adding Section 5-45.21 as follows:

5 (5 ILCS 100/5-45.21 new)

6 Sec. 5-45.21. Emergency rulemaking. To provide for the
7 expeditious and timely implementation of this amendatory Act
8 of the 102nd General Assembly, emergency rules implementing
9 Sections 208.5 and 212.1 of the Illinois Income Tax Act may be
10 adopted in accordance with Section 5-45 by the Department of
11 Revenue. The adoption of emergency rules authorized by Section
12 5-45 and this Section is deemed to be necessary for the public
13 interest, safety, and welfare.

14 This Section is repealed one year after the effective date
15 of this amendatory Act of the 102nd General Assembly.

16 Section 40-5. The State Finance Act is amended by changing
17 Section 8g-1 as follows:

18 (30 ILCS 105/8g-1)

19 Sec. 8g-1. Fund transfers.

20 (a) (Blank).

21 (b) (Blank).

1 (c) (Blank).

2 (d) (Blank).

3 (e) (Blank).

4 (f) (Blank).

5 (g) (Blank).

6 (h) (Blank).

7 (i) (Blank).

8 (j) (Blank).

9 (k) (Blank).

10 (l) (Blank).

11 (m) (Blank).

12 (n) (Blank).

13 (o) (Blank).

14 (p) (Blank).

15 (q) (Blank).

16 (r) (Blank).

17 (s) (Blank).

18 (t) (Blank).

19 (u) In addition to any other transfers that may be
20 provided for by law, on July 1, 2021, or as soon thereafter as
21 practical, only as directed by the Director of the Governor's
22 Office of Management and Budget, the State Comptroller shall
23 direct and the State Treasurer shall transfer the sum of
24 \$5,000,000 from the General Revenue Fund to the DoIT Special
25 Projects Fund, and on June 1, 2022, or as soon thereafter as
26 practical, but no later than June 30, 2022, the State

1 Comptroller shall direct and the State Treasurer shall
2 transfer the sum so transferred from the DoIT Special Projects
3 Fund to the General Revenue Fund.

4 (v) In addition to any other transfers that may be
5 provided for by law, on July 1, 2021, or as soon thereafter as
6 practical, the State Comptroller shall direct and the State
7 Treasurer shall transfer the sum of \$500,000 from the General
8 Revenue Fund to the Governor's Administrative Fund.

9 (w) In addition to any other transfers that may be
10 provided for by law, on July 1, 2021, or as soon thereafter as
11 practical, the State Comptroller shall direct and the State
12 Treasurer shall transfer the sum of \$500,000 from the General
13 Revenue Fund to the Grant Accountability and Transparency
14 Fund.

15 (x) In addition to any other transfers that may be
16 provided for by law, at a time or times during Fiscal Year 2022
17 as directed by the Governor, the State Comptroller shall
18 direct and the State Treasurer shall transfer up to a total of
19 \$20,000,000 from the General Revenue Fund to the Illinois
20 Sports Facilities Fund to be credited to the Advance Account
21 within the Fund.

22 (y) In addition to any other transfers that may be
23 provided for by law, on June 15, 2021, or as soon thereafter as
24 practical, but no later than June 30, 2021, the State
25 Comptroller shall direct and the State Treasurer shall
26 transfer the sum of \$100,000,000 from the General Revenue Fund

1 to the Technology Management Revolving Fund.

2 (z) In addition to any other transfers that may be
3 provided by law, on the effective date of this amendatory Act
4 of the 102nd General Assembly, or as soon thereafter as
5 practical, but no later than June 30, 2022, the State
6 Comptroller shall direct and the State Treasurer shall
7 transfer the sum of \$685,000,000 from the General Revenue Fund
8 to the Income Tax Refund Fund. Moneys from this transfer shall
9 be used for the purpose of making the one-time rebate payments
10 provided under Section 212.1 of the Illinois Income Tax Act.

11 (aa) In addition to any other transfers that may be
12 provided by law, beginning on the effective date of this
13 amendatory Act of the 102nd General Assembly and until
14 December 31, 2023, at the direction of the Department of
15 Revenue, the State Comptroller shall direct and the State
16 Treasurer shall transfer from the General Revenue Fund to the
17 Income Tax Refund Fund any amounts needed beyond the amounts
18 transferred in subsection (z) to make payments of the one-time
19 rebate payments provided under Section 212.1 of the Illinois
20 Income Tax Act.

21 (Source: P.A. 101-10, eff. 6-5-19; 101-636, eff. 6-10-20;
22 102-16, eff. 6-17-21.)

23 Section 40-10. The Illinois Income Tax Act is amended by
24 changing Section 901 and by adding Sections 208.5 and 212.1 as
25 follows:

1 (35 ILCS 5/208.5 new)

2 Sec. 208.5. Residential real estate tax rebate.

3 (a) The Department shall pay a one-time rebate to every
4 individual taxpayer who files with the Department, on or
5 before October 17, 2022, an Illinois income tax return for tax
6 year 2021 and who qualifies, in that tax year, under rules
7 adopted by the Department, for the income tax credit provided
8 under Section 208 of this Act. The amount of the one-time
9 rebate provided under this Section shall be the lesser of: (1)
10 the amount of the credit provided under Section 208 for tax
11 year 2021, including any amounts that would otherwise reduce a
12 taxpayer's liability to less than zero, or (2) \$300 per
13 principal residence. The Department shall develop a process to
14 claim a rebate for taxpayers who otherwise would be eligible
15 for the rebate under this Section but who did not have an
16 obligation to file a 2021 Illinois income tax return because
17 their exemption allowance exceeded their Illinois base income.

18 (b) On the effective date of this amendatory Act of the
19 102nd General Assembly, or as soon thereafter as practical,
20 but no later than June 30, 2022, the State Comptroller shall
21 direct and the State Treasurer shall transfer the sum of
22 \$470,000,000 from the General Revenue Fund to the Income Tax
23 Refund Fund.

24 (c) On July 1, 2022, or as soon thereafter as practical,
25 the State Comptroller shall direct and the State Treasurer

1 shall transfer the sum of \$50,000,000 from the General Revenue
2 Fund to the Income Tax Refund Fund.

3 (d) In addition to any other transfers that may be
4 provided for by law, beginning on the effective date of this
5 amendatory Act of the 102nd General Assembly and until June
6 30, 2023, the Director may certify additional transfer amounts
7 needed beyond the amounts specified in subsections (b) and
8 (c). The State Comptroller shall direct and the State
9 Treasurer shall transfer the amounts certified by the Director
10 from the General Revenue Fund to the Income Tax Refund Fund.

11 (e) The one-time rebate payments provided under this
12 Section shall be paid from the Income Tax Refund Fund.

13 (f) Beginning on July 5, 2022, the Department shall
14 certify to the Comptroller the names of the taxpayers who are
15 eligible for a one-time rebate under this Section, the amounts
16 of those rebates, and any other information that the
17 Comptroller requires to direct the payment of the rebates
18 provided under this Section to taxpayers.

19 (g) The amount of a rebate under this Section shall not be
20 included in the taxpayer's income or resources for the
21 purposes of determining eligibility or benefit level in any
22 means-tested benefit program administered by a governmental
23 entity unless required by federal law.

24 (h) Notwithstanding any other law to the contrary, the
25 rebates shall not be subject to offset by the Comptroller
26 against any liability owed either to the State or to any unit

1 of local government.

2 (i) This Section is repealed on January 1, 2024.

3 (35 ILCS 5/212.1 new)

4 Sec. 212.1. Individual income tax rebates.

5 (a) Each taxpayer who files an individual income tax
6 return under this Act, on or before October 17, 2022, for the
7 taxable year that began on January 1, 2021 and whose adjusted
8 gross income for the taxable year is less than (i) \$400,000, in
9 the case of spouses filing a joint federal tax return, or (ii)
10 \$200,000, in the case of all other taxpayers, is entitled to a
11 one-time rebate under this Section. The amount of the rebate
12 shall be \$50 for single filers and \$100 for spouses filing a
13 joint return, plus an additional \$100 for each person who is
14 claimed as a dependent, up to 3 dependents, on the taxpayer's
15 federal income tax return for the taxable year that began on
16 January 1, 2021. A taxpayer who files an individual income tax
17 return under this Act for the taxable year that began on
18 January 1, 2021, and who is claimed as a dependent on another
19 individual's return for that year, is ineligible for the
20 rebate provided under this Section. Spouses who qualify for a
21 rebate under this Section and who file a joint return shall be
22 treated as a single taxpayer for the purposes of the rebate
23 under this Section. For a part-year resident, the amount of
24 the rebate under this Section shall be in proportion to the
25 amount of the taxpayer's income that is attributable to this

1 State for the taxable year that began on January 1, 2021.
2 Taxpayers who were non-residents for the taxable year that
3 began on January 1, 2021 are not entitled to a rebate under
4 this Section.

5 (b) Beginning on July 5, 2022, the Department shall
6 certify to the Comptroller the names of the taxpayers who are
7 eligible for a one-time rebate under this Section, the amounts
8 of those rebates, and any other information that the
9 Comptroller requires to direct the payment of the rebates
10 provided under this Section to taxpayers.

11 (c) If a taxpayer files an amended return indicating that
12 the taxpayer is entitled to a rebate under this Section that
13 the taxpayer did not receive, or indicating that the taxpayer
14 did not receive the full rebate amount to which the taxpayer is
15 entitled, then the rebate shall be processed in the same
16 manner as a claim for refund under Article 9. If the taxpayer
17 files an amended return indicating that the taxpayer received
18 a rebate under this Section to which the taxpayer is not
19 entitled, then the Department shall issue a notice of
20 deficiency as provided in Article 9.

21 (d) The Department shall make the rebate payments
22 authorized by this Section from the Income Tax Refund Fund.

23 (e) The amount of a rebate under this Section shall not be
24 included in the taxpayer's income or resources for the
25 purposes of determining eligibility or benefit level in any
26 means-tested benefit program administered by a governmental

1 entity unless required by federal law.

2 (f) Nothing in this Section prevents a taxpayer from
3 receiving the earned income tax credit and the rebate under
4 this Section for the same taxable year.

5 (g) Notwithstanding any other law to the contrary, the
6 rebates shall not be subject to offset by the Comptroller
7 against any liability owed either to the State or to any unit
8 of local government.

9 (h) The Department shall adopt rules for the
10 implementation of this Section, including emergency rules
11 under Section 5-45.21 of the Illinois Administrative Procedure
12 Act.

13 (i) This Section is repealed one year after the effective
14 date of this amendatory Act of the 102nd General Assembly.

15 (35 ILCS 5/901)

16 Sec. 901. Collection authority.

17 (a) In general. The Department shall collect the taxes
18 imposed by this Act. The Department shall collect certified
19 past due child support amounts under Section 2505-650 of the
20 Department of Revenue Law of the Civil Administrative Code of
21 Illinois. Except as provided in subsections (b), (c), (e),
22 (f), (g), and (h) of this Section, money collected pursuant to
23 subsections (a) and (b) of Section 201 of this Act shall be
24 paid into the General Revenue Fund in the State treasury;
25 money collected pursuant to subsections (c) and (d) of Section

1 201 of this Act shall be paid into the Personal Property Tax
2 Replacement Fund, a special fund in the State Treasury; and
3 money collected under Section 2505-650 of the Department of
4 Revenue Law of the Civil Administrative Code of Illinois shall
5 be paid into the Child Support Enforcement Trust Fund, a
6 special fund outside the State Treasury, or to the State
7 Disbursement Unit established under Section 10-26 of the
8 Illinois Public Aid Code, as directed by the Department of
9 Healthcare and Family Services.

10 (b) Local Government Distributive Fund. Beginning August
11 1, 2017, the Treasurer shall transfer each month from the
12 General Revenue Fund to the Local Government Distributive Fund
13 an amount equal to the sum of: (i) 6.06% (10% of the ratio of
14 the 3% individual income tax rate prior to 2011 to the 4.95%
15 individual income tax rate after July 1, 2017) of the net
16 revenue realized from the tax imposed by subsections (a) and
17 (b) of Section 201 of this Act upon individuals, trusts, and
18 estates during the preceding month; (ii) 6.85% (10% of the
19 ratio of the 4.8% corporate income tax rate prior to 2011 to
20 the 7% corporate income tax rate after July 1, 2017) of the net
21 revenue realized from the tax imposed by subsections (a) and
22 (b) of Section 201 of this Act upon corporations during the
23 preceding month; and (iii) beginning February 1, 2022, 6.06%
24 of the net revenue realized from the tax imposed by subsection
25 (p) of Section 201 of this Act upon electing pass-through
26 entities. Net revenue realized for a month shall be defined as

1 the revenue from the tax imposed by subsections (a) and (b) of
2 Section 201 of this Act which is deposited in the General
3 Revenue Fund, the Education Assistance Fund, the Income Tax
4 Surcharge Local Government Distributive Fund, the Fund for the
5 Advancement of Education, and the Commitment to Human Services
6 Fund during the month minus the amount paid out of the General
7 Revenue Fund in State warrants during that same month as
8 refunds to taxpayers for overpayment of liability under the
9 tax imposed by subsections (a) and (b) of Section 201 of this
10 Act.

11 Notwithstanding any provision of law to the contrary,
12 beginning on July 6, 2017 (the effective date of Public Act
13 100-23), those amounts required under this subsection (b) to
14 be transferred by the Treasurer into the Local Government
15 Distributive Fund from the General Revenue Fund shall be
16 directly deposited into the Local Government Distributive Fund
17 as the revenue is realized from the tax imposed by subsections
18 (a) and (b) of Section 201 of this Act.

19 (c) Deposits Into Income Tax Refund Fund.

20 (1) Beginning on January 1, 1989 and thereafter, the
21 Department shall deposit a percentage of the amounts
22 collected pursuant to subsections (a) and (b)(1), (2), and
23 (3) of Section 201 of this Act into a fund in the State
24 treasury known as the Income Tax Refund Fund. Beginning
25 with State fiscal year 1990 and for each fiscal year
26 thereafter, the percentage deposited into the Income Tax

1 Refund Fund during a fiscal year shall be the Annual
2 Percentage. For fiscal year 2011, the Annual Percentage
3 shall be 8.75%. For fiscal year 2012, the Annual
4 Percentage shall be 8.75%. For fiscal year 2013, the
5 Annual Percentage shall be 9.75%. For fiscal year 2014,
6 the Annual Percentage shall be 9.5%. For fiscal year 2015,
7 the Annual Percentage shall be 10%. For fiscal year 2018,
8 the Annual Percentage shall be 9.8%. For fiscal year 2019,
9 the Annual Percentage shall be 9.7%. For fiscal year 2020,
10 the Annual Percentage shall be 9.5%. For fiscal year 2021,
11 the Annual Percentage shall be 9%. For fiscal year 2022,
12 the Annual Percentage shall be 9.25%. For all other fiscal
13 years, the Annual Percentage shall be calculated as a
14 fraction, the numerator of which shall be the amount of
15 refunds approved for payment by the Department during the
16 preceding fiscal year as a result of overpayment of tax
17 liability under subsections (a) and (b)(1), (2), and (3)
18 of Section 201 of this Act plus the amount of such refunds
19 remaining approved but unpaid at the end of the preceding
20 fiscal year, minus the amounts transferred into the Income
21 Tax Refund Fund from the Tobacco Settlement Recovery Fund,
22 and the denominator of which shall be the amounts which
23 will be collected pursuant to subsections (a) and (b)(1),
24 (2), and (3) of Section 201 of this Act during the
25 preceding fiscal year; except that in State fiscal year
26 2002, the Annual Percentage shall in no event exceed 7.6%.

1 The Director of Revenue shall certify the Annual
2 Percentage to the Comptroller on the last business day of
3 the fiscal year immediately preceding the fiscal year for
4 which it is to be effective.

5 (2) Beginning on January 1, 1989 and thereafter, the
6 Department shall deposit a percentage of the amounts
7 collected pursuant to subsections (a) and (b) (6), (7), and
8 (8), (c) and (d) of Section 201 of this Act into a fund in
9 the State treasury known as the Income Tax Refund Fund.
10 Beginning with State fiscal year 1990 and for each fiscal
11 year thereafter, the percentage deposited into the Income
12 Tax Refund Fund during a fiscal year shall be the Annual
13 Percentage. For fiscal year 2011, the Annual Percentage
14 shall be 17.5%. For fiscal year 2012, the Annual
15 Percentage shall be 17.5%. For fiscal year 2013, the
16 Annual Percentage shall be 14%. For fiscal year 2014, the
17 Annual Percentage shall be 13.4%. For fiscal year 2015,
18 the Annual Percentage shall be 14%. For fiscal year 2018,
19 the Annual Percentage shall be 17.5%. For fiscal year
20 2019, the Annual Percentage shall be 15.5%. For fiscal
21 year 2020, the Annual Percentage shall be 14.25%. For
22 fiscal year 2021, the Annual Percentage shall be 14%. For
23 fiscal year 2022, the Annual Percentage shall be 15%. For
24 all other fiscal years, the Annual Percentage shall be
25 calculated as a fraction, the numerator of which shall be
26 the amount of refunds approved for payment by the

1 Department during the preceding fiscal year as a result of
2 overpayment of tax liability under subsections (a) and
3 (b) (6), (7), and (8), (c) and (d) of Section 201 of this
4 Act plus the amount of such refunds remaining approved but
5 unpaid at the end of the preceding fiscal year, and the
6 denominator of which shall be the amounts which will be
7 collected pursuant to subsections (a) and (b) (6), (7), and
8 (8), (c) and (d) of Section 201 of this Act during the
9 preceding fiscal year; except that in State fiscal year
10 2002, the Annual Percentage shall in no event exceed 23%.
11 The Director of Revenue shall certify the Annual
12 Percentage to the Comptroller on the last business day of
13 the fiscal year immediately preceding the fiscal year for
14 which it is to be effective.

15 (3) The Comptroller shall order transferred and the
16 Treasurer shall transfer from the Tobacco Settlement
17 Recovery Fund to the Income Tax Refund Fund (i)
18 \$35,000,000 in January, 2001, (ii) \$35,000,000 in January,
19 2002, and (iii) \$35,000,000 in January, 2003.

20 (d) Expenditures from Income Tax Refund Fund.

21 (1) Beginning January 1, 1989, money in the Income Tax
22 Refund Fund shall be expended exclusively for the purpose
23 of paying refunds resulting from overpayment of tax
24 liability under Section 201 of this Act and for making
25 transfers pursuant to this subsection (d), except that in
26 State fiscal years 2022 and 2023, moneys in the Income Tax

1 Refund Fund shall also be used to pay one-time rebate
2 payments as provided under Sections 208.5 and 212.1.

3 (2) The Director shall order payment of refunds
4 resulting from overpayment of tax liability under Section
5 201 of this Act from the Income Tax Refund Fund only to the
6 extent that amounts collected pursuant to Section 201 of
7 this Act and transfers pursuant to this subsection (d) and
8 item (3) of subsection (c) have been deposited and
9 retained in the Fund.

10 (3) As soon as possible after the end of each fiscal
11 year, the Director shall order transferred and the State
12 Treasurer and State Comptroller shall transfer from the
13 Income Tax Refund Fund to the Personal Property Tax
14 Replacement Fund an amount, certified by the Director to
15 the Comptroller, equal to the excess of the amount
16 collected pursuant to subsections (c) and (d) of Section
17 201 of this Act deposited into the Income Tax Refund Fund
18 during the fiscal year over the amount of refunds
19 resulting from overpayment of tax liability under
20 subsections (c) and (d) of Section 201 of this Act paid
21 from the Income Tax Refund Fund during the fiscal year.

22 (4) As soon as possible after the end of each fiscal
23 year, the Director shall order transferred and the State
24 Treasurer and State Comptroller shall transfer from the
25 Personal Property Tax Replacement Fund to the Income Tax
26 Refund Fund an amount, certified by the Director to the

1 Comptroller, equal to the excess of the amount of refunds
2 resulting from overpayment of tax liability under
3 subsections (c) and (d) of Section 201 of this Act paid
4 from the Income Tax Refund Fund during the fiscal year
5 over the amount collected pursuant to subsections (c) and
6 (d) of Section 201 of this Act deposited into the Income
7 Tax Refund Fund during the fiscal year.

8 (4.5) As soon as possible after the end of fiscal year
9 1999 and of each fiscal year thereafter, the Director
10 shall order transferred and the State Treasurer and State
11 Comptroller shall transfer from the Income Tax Refund Fund
12 to the General Revenue Fund any surplus remaining in the
13 Income Tax Refund Fund as of the end of such fiscal year;
14 excluding for fiscal years 2000, 2001, and 2002 amounts
15 attributable to transfers under item (3) of subsection (c)
16 less refunds resulting from the earned income tax credit,
17 and excluding for fiscal year 2022 amounts attributable to
18 transfers from the General Revenue Fund authorized by this
19 amendatory Act of the 102nd General Assembly.

20 (5) This Act shall constitute an irrevocable and
21 continuing appropriation from the Income Tax Refund Fund
22 for the purposes ~~purpose~~ of (i) paying refunds upon the
23 order of the Director in accordance with the provisions of
24 this Section and (ii) paying one-time rebate payments
25 under Sections 208.5 and 212.1.

26 (e) Deposits into the Education Assistance Fund and the

1 Income Tax Surcharge Local Government Distributive Fund. On
2 July 1, 1991, and thereafter, of the amounts collected
3 pursuant to subsections (a) and (b) of Section 201 of this Act,
4 minus deposits into the Income Tax Refund Fund, the Department
5 shall deposit 7.3% into the Education Assistance Fund in the
6 State Treasury. Beginning July 1, 1991, and continuing through
7 January 31, 1993, of the amounts collected pursuant to
8 subsections (a) and (b) of Section 201 of the Illinois Income
9 Tax Act, minus deposits into the Income Tax Refund Fund, the
10 Department shall deposit 3.0% into the Income Tax Surcharge
11 Local Government Distributive Fund in the State Treasury.
12 Beginning February 1, 1993 and continuing through June 30,
13 1993, of the amounts collected pursuant to subsections (a) and
14 (b) of Section 201 of the Illinois Income Tax Act, minus
15 deposits into the Income Tax Refund Fund, the Department shall
16 deposit 4.4% into the Income Tax Surcharge Local Government
17 Distributive Fund in the State Treasury. Beginning July 1,
18 1993, and continuing through June 30, 1994, of the amounts
19 collected under subsections (a) and (b) of Section 201 of this
20 Act, minus deposits into the Income Tax Refund Fund, the
21 Department shall deposit 1.475% into the Income Tax Surcharge
22 Local Government Distributive Fund in the State Treasury.

23 (f) Deposits into the Fund for the Advancement of
24 Education. Beginning February 1, 2015, the Department shall
25 deposit the following portions of the revenue realized from
26 the tax imposed upon individuals, trusts, and estates by

1 subsections (a) and (b) of Section 201 of this Act, minus
2 deposits into the Income Tax Refund Fund, into the Fund for the
3 Advancement of Education:

4 (1) beginning February 1, 2015, and prior to February
5 1, 2025, 1/30; and

6 (2) beginning February 1, 2025, 1/26.

7 If the rate of tax imposed by subsection (a) and (b) of
8 Section 201 is reduced pursuant to Section 201.5 of this Act,
9 the Department shall not make the deposits required by this
10 subsection (f) on or after the effective date of the
11 reduction.

12 (g) Deposits into the Commitment to Human Services Fund.
13 Beginning February 1, 2015, the Department shall deposit the
14 following portions of the revenue realized from the tax
15 imposed upon individuals, trusts, and estates by subsections
16 (a) and (b) of Section 201 of this Act, minus deposits into the
17 Income Tax Refund Fund, into the Commitment to Human Services
18 Fund:

19 (1) beginning February 1, 2015, and prior to February
20 1, 2025, 1/30; and

21 (2) beginning February 1, 2025, 1/26.

22 If the rate of tax imposed by subsection (a) and (b) of
23 Section 201 is reduced pursuant to Section 201.5 of this Act,
24 the Department shall not make the deposits required by this
25 subsection (g) on or after the effective date of the
26 reduction.

1 (h) Deposits into the Tax Compliance and Administration
2 Fund. Beginning on the first day of the first calendar month to
3 occur on or after August 26, 2014 (the effective date of Public
4 Act 98-1098), each month the Department shall pay into the Tax
5 Compliance and Administration Fund, to be used, subject to
6 appropriation, to fund additional auditors and compliance
7 personnel at the Department, an amount equal to 1/12 of 5% of
8 the cash receipts collected during the preceding fiscal year
9 by the Audit Bureau of the Department from the tax imposed by
10 subsections (a), (b), (c), and (d) of Section 201 of this Act,
11 net of deposits into the Income Tax Refund Fund made from those
12 cash receipts.

13 (Source: P.A. 101-8, see Section 99 for effective date;
14 101-10, eff. 6-5-19; 101-81, eff. 7-12-19; 101-636, eff.
15 6-10-20; 102-16, eff. 6-17-21; 102-558, eff. 8-20-21; 102-658,
16 eff. 8-27-21; revised 10-19-21.)

17 ARTICLE 45. MOTOR FUEL

18 Section 45-3. The State Finance Act is amended by changing
19 Section 6z-108 as follows:

20 (30 ILCS 105/6z-108)

21 Sec. 6z-108. Transportation Renewal Fund.

22 (a) The Transportation Renewal Fund is created as a
23 special fund in the State treasury and shall receive Motor

1 Fuel Tax revenues as directed by Sections 2a and ~~Section~~ 8b of
2 the Motor Fuel Tax Law.

3 (b) Money in the Transportation Renewal Fund shall be used
4 exclusively for transportation-related purposes as described
5 in Section 11 of Article IX of the Illinois Constitution of
6 1970.

7 (Source: P.A. 101-30, eff. 6-28-19.)

8 Section 45-5. The Motor Fuel Tax Law is amended by
9 changing Sections 2, 8a, and 17 as follows:

10 (35 ILCS 505/2) (from Ch. 120, par. 418)

11 Sec. 2. A tax is imposed on the privilege of operating
12 motor vehicles upon the public highways and recreational-type
13 watercraft upon the waters of this State.

14 (a) Prior to August 1, 1989, the tax is imposed at the rate
15 of 13 cents per gallon on all motor fuel used in motor vehicles
16 operating on the public highways and recreational type
17 watercraft operating upon the waters of this State. Beginning
18 on August 1, 1989 and until January 1, 1990, the rate of the
19 tax imposed in this paragraph shall be 16 cents per gallon.
20 Beginning January 1, 1990 and until July 1, 2019, the rate of
21 tax imposed in this paragraph, including the tax on compressed
22 natural gas, shall be 19 cents per gallon. Beginning July 1,
23 2019 and until July 1, 2020, the rate of tax imposed in this
24 paragraph shall be 38 cents per gallon. Beginning July 1, 2020

1 and until July 1, 2021, the rate of tax imposed in this
2 paragraph shall be 38.7 cents per gallon. Beginning July 1,
3 2021 and until January 1, 2023, the rate of tax imposed in this
4 paragraph shall be 39.2 cents per gallon. On January 1, 2023,
5 the rate of tax imposed in this paragraph shall be increased by
6 an amount equal to the percentage increase, if any, in the
7 Consumer Price Index for All Urban Consumers for all items
8 published by the United States Department of Labor for the 12
9 months ending in September of 2022. On July 1, 2023, and on
10 July 1 of each subsequent year, the rate of tax imposed in this
11 paragraph shall be ~~and increased on July 1 of each subsequent~~
12 ~~year~~ by an amount equal to the percentage increase, if any, in
13 the Consumer Price Index for All Urban Consumers for all items
14 published by the United States Department of Labor for the 12
15 months ending in March of the year in which the increase takes
16 place ~~each year~~. The rate shall be rounded to the nearest
17 one-tenth of one cent.

18 (a-5) Beginning on July 1, 2022 and through December 31,
19 2022, each retailer of motor fuel shall cause the following
20 notice to be posted in a prominently visible place on each
21 retail dispensing device that is used to dispense motor fuel
22 in the State of Illinois: "As of July 1, 2022, the State of
23 Illinois has suspended the inflation adjustment to the motor
24 fuel tax through December 31, 2022. The price on this pump
25 should reflect the suspension of the tax increase." The notice
26 shall be printed in bold print on a sign that is no smaller

1 than 4 inches by 8 inches. The sign shall be clearly visible to
2 customers. Any retailer who fails to post or maintain a
3 required sign through December 31, 2022 is guilty of a petty
4 offense for which the fine shall be \$500 per day per each
5 retail premises where a violation occurs.

6 (b) Until July 1, 2019, the tax on the privilege of
7 operating motor vehicles which use diesel fuel, liquefied
8 natural gas, or propane shall be the rate according to
9 paragraph (a) plus an additional 2 1/2 cents per gallon.
10 Beginning July 1, 2019, the tax on the privilege of operating
11 motor vehicles which use diesel fuel, liquefied natural gas,
12 or propane shall be the rate according to subsection (a) plus
13 an additional 7.5 cents per gallon. "Diesel fuel" is defined
14 as any product intended for use or offered for sale as a fuel
15 for engines in which the fuel is injected into the combustion
16 chamber and ignited by pressure without electric spark.

17 (c) A tax is imposed upon the privilege of engaging in the
18 business of selling motor fuel as a retailer or reseller on all
19 motor fuel used in motor vehicles operating on the public
20 highways and recreational type watercraft operating upon the
21 waters of this State: (1) at the rate of 3 cents per gallon on
22 motor fuel owned or possessed by such retailer or reseller at
23 12:01 a.m. on August 1, 1989; and (2) at the rate of 3 cents
24 per gallon on motor fuel owned or possessed by such retailer or
25 reseller at 12:01 A.M. on January 1, 1990.

26 Retailers and resellers who are subject to this additional

1 tax shall be required to inventory such motor fuel and pay this
2 additional tax in a manner prescribed by the Department of
3 Revenue.

4 The tax imposed in this paragraph (c) shall be in addition
5 to all other taxes imposed by the State of Illinois or any unit
6 of local government in this State.

7 (d) Except as provided in Section 2a, the collection of a
8 tax based on gallonage of gasoline used for the propulsion of
9 any aircraft is prohibited on and after October 1, 1979, and
10 the collection of a tax based on gallonage of special fuel used
11 for the propulsion of any aircraft is prohibited on and after
12 December 1, 2019.

13 (e) The collection of a tax, based on gallonage of all
14 products commonly or commercially known or sold as 1-K
15 kerosene, regardless of its classification or uses, is
16 prohibited (i) on and after July 1, 1992 until December 31,
17 1999, except when the 1-K kerosene is either: (1) delivered
18 into bulk storage facilities of a bulk user, or (2) delivered
19 directly into the fuel supply tanks of motor vehicles and (ii)
20 on and after January 1, 2000. Beginning on January 1, 2000, the
21 collection of a tax, based on gallonage of all products
22 commonly or commercially known or sold as 1-K kerosene,
23 regardless of its classification or uses, is prohibited except
24 when the 1-K kerosene is delivered directly into a storage
25 tank that is located at a facility that has withdrawal
26 facilities that are readily accessible to and are capable of

1 dispensing 1-K kerosene into the fuel supply tanks of motor
2 vehicles. For purposes of this subsection (e), a facility is
3 considered to have withdrawal facilities that are not "readily
4 accessible to and capable of dispensing 1-K kerosene into the
5 fuel supply tanks of motor vehicles" only if the 1-K kerosene
6 is delivered from: (i) a dispenser hose that is short enough so
7 that it will not reach the fuel supply tank of a motor vehicle
8 or (ii) a dispenser that is enclosed by a fence or other
9 physical barrier so that a vehicle cannot pull alongside the
10 dispenser to permit fueling.

11 Any person who sells or uses 1-K kerosene for use in motor
12 vehicles upon which the tax imposed by this Law has not been
13 paid shall be liable for any tax due on the sales or use of 1-K
14 kerosene.

15 (Source: P.A. 100-9, eff. 7-1-17; 101-10, eff. 6-5-19; 101-32,
16 eff. 6-28-19; 101-604, eff. 12-13-19.)

17 (35 ILCS 505/8a) (from Ch. 120, par. 424a)

18 Sec. 8a. Deposit of proceeds. Until July 1, 2022 and
19 beginning again on July 1, 2023, all ~~All~~ money received by the
20 Department under Section 2a of this Act, except money received
21 from taxes on aviation fuel sold or used on or after December
22 1, 2019 and through December 31, 2020, shall be deposited in
23 the Underground Storage Tank Fund ~~created by Section 57.11 of~~
24 ~~the Environmental Protection Act, as now or hereafter amended.~~
25 All money received by the Department under Section 2a of this

1 Act for aviation fuel sold or used on or after December 1,
2 2019, shall be deposited into the State Aviation Program Fund.
3 This exception for aviation fuel only applies for so long as
4 the revenue use requirements of 49 U.S.C. 47107(b) and 49
5 U.S.C. 47133 are binding on the State. For purposes of this
6 Section, "aviation fuel" means jet fuel and aviation gasoline.
7 Beginning on July 1, 2022 and through June 30, 2023, all money
8 received by the Department under Section 2a shall be deposited
9 in the Transportation Renewal Fund.

10 (Source: P.A. 101-10, eff. 6-5-19; 101-604, eff. 12-13-19.)

11 (35 ILCS 505/17) (from Ch. 120, par. 433)

12 Sec. 17. It is the purpose of Sections 2 and 13a of this
13 Act to impose a tax upon the privilege of operating each motor
14 vehicle as defined in this Act upon the public highways and the
15 waters of this State, such tax to be based upon the consumption
16 of motor fuel in such motor vehicle, so far as the same may be
17 done, under the Constitution and statutes of the United
18 States, and the Constitution of the State of Illinois. It is
19 the purpose of Section 2a of this Act to impose a tax upon the
20 privilege of importing or receiving in this State fuel for
21 sale or use, such tax to be used to fund the Underground
22 Storage Tank Fund or the Transportation Renewal Fund. If any
23 of the provisions of this Act include transactions which are
24 not taxable or are in any other respect unconstitutional, it
25 is the intent of the General Assembly that, so far as possible,

1 the remaining provisions of the Act be given effect.

2 (Source: P.A. 86-125.)

3 Section 45-10. The Environmental Impact Fee Law is amended
4 by changing Section 320 as follows:

5 (415 ILCS 125/320)

6 (Section scheduled to be repealed on January 1, 2025)

7 Sec. 320. Deposit of fee receipts. Except as otherwise
8 provided in this paragraph, all money received by the
9 Department under this Law shall be deposited in the
10 Underground Storage Tank Fund ~~created by Section 57.11 of the~~
11 ~~Environmental Protection Act~~. All money received for aviation
12 fuel by the Department under this Law on or after December 1,
13 2019 and ending with returns due on January 20, 2021, shall be
14 immediately paid over by the Department to the State Aviation
15 Program Fund. The Department shall only pay such moneys into
16 the State Aviation Program Fund under this Act for so long as
17 the revenue use requirements of 49 U.S.C. 47107(b) and 49
18 U.S.C. 47133 are binding on the State. For purposes of this
19 Section, "aviation fuel" means jet fuel and aviation gasoline.
20 Beginning July 1, 2022 and through June 30, 2023, all money
21 received by the Department under this Law shall be deposited
22 into the Transportation Renewal Fund.

23 (Source: P.A. 101-10, eff. 6-5-19; 101-604, eff. 12-13-19.)

1 ARTICLE 50. ELECTRIC VEHICLES

2 Section 50-5. The Reimagining Electric Vehicles in
3 Illinois Act is amended by changing Sections 10 and 20 as
4 follows:

5 (20 ILCS 686/10)

6 Sec. 10. Definitions. As used in this Act:

7 "Advanced battery" means a battery that consists of a
8 battery cell that can be integrated into a module, pack, or
9 system to be used in energy storage applications, including a
10 battery used in an electric vehicle or the electric grid.

11 "Advanced battery component" means a component of an
12 advanced battery, including materials, enhancements,
13 enclosures, anodes, cathodes, electrolytes, cells, and other
14 associated technologies that comprise an advanced battery.

15 "Agreement" means the agreement between a taxpayer and the
16 Department under the provisions of Section 45 of this Act.

17 "Applicant" means a taxpayer that (i) operates a business
18 in Illinois or is planning to locate a business within the
19 State of Illinois and (ii) is engaged in interstate or
20 intrastate commerce for the purpose of manufacturing electric
21 vehicles, electric vehicle component parts, or electric
22 vehicle power supply equipment. "Applicant" does not include a
23 taxpayer who closes or substantially reduces by more than 50%
24 operations at one location in the State and relocates

1 substantially the same operation to another location in the
2 State. This does not prohibit a Taxpayer from expanding its
3 operations at another location in the State. This also does
4 not prohibit a Taxpayer from moving its operations from one
5 location in the State to another location in the State for the
6 purpose of expanding the operation, provided that the
7 Department determines that expansion cannot reasonably be
8 accommodated within the municipality or county in which the
9 business is located, or, in the case of a business located in
10 an incorporated area of the county, within the county in which
11 the business is located, after conferring with the chief
12 elected official of the municipality or county and taking into
13 consideration any evidence offered by the municipality or
14 county regarding the ability to accommodate expansion within
15 the municipality or county.

16 "Battery raw materials" means the raw and processed form
17 of a mineral, metal, chemical, or other material used in an
18 advanced battery component.

19 "Battery raw materials refining service provider" means a
20 business that operates a facility that filters, sifts, and
21 treats battery raw materials for use in an advanced battery.

22 "Battery recycling and reuse manufacturer" means a
23 manufacturer that is primarily engaged in the recovery,
24 retrieval, processing, recycling, or recirculating of battery
25 raw materials for new use in electric vehicle batteries.

26 "Capital improvements" means the purchase, renovation,

1 rehabilitation, or construction of permanent tangible land,
2 buildings, structures, equipment, and furnishings in an
3 approved project sited in Illinois and expenditures for goods
4 or services that are normally capitalized, including
5 organizational costs and research and development costs
6 incurred in Illinois. For land, buildings, structures, and
7 equipment that are leased, the lease must equal or exceed the
8 term of the agreement, and the cost of the property shall be
9 determined from the present value, using the corporate
10 interest rate prevailing at the time of the application, of
11 the lease payments.

12 "Credit" means either a "REV Illinois Credit" or a "REV
13 Construction Jobs Credit" agreed to between the Department and
14 applicant under this Act.

15 "Department" means the Department of Commerce and Economic
16 Opportunity.

17 "Director" means the Director of Commerce and Economic
18 Opportunity.

19 "Electric vehicle" means a vehicle that is exclusively
20 powered by and refueled by electricity, including electricity
21 generated through a hydrogen fuel cells or solar technology
22 ~~must be plugged in to charge or utilize a pre-charged battery,~~
23 ~~and is permitted to operate on public roadways.~~ "Electric
24 vehicle" does not include hybrid electric vehicles, electric
25 bicycles, or ~~and~~ extended-range electric vehicles that are
26 also equipped with conventional fueled propulsion or auxiliary

1 engines.

2 "Electric vehicle manufacturer" means a new or existing
3 manufacturer that is primarily focused on reequipping,
4 expanding, or establishing a manufacturing facility in
5 Illinois that produces electric vehicles as defined in this
6 Section.

7 "Electric vehicle component parts manufacturer" means a
8 new or existing manufacturer that is primarily focused on
9 reequipping, expanding, or establishing a manufacturing
10 facility in Illinois that produces advanced battery components
11 or key components that directly support the electric functions
12 of electric vehicles, as defined by this Section.

13 "Electric vehicle power supply equipment" means the
14 equipment used specifically for the purpose of delivering
15 electricity to an electric vehicle, including hydrogen fuel
16 cells or solar refueling infrastructure.

17 "Electric vehicle power supply manufacturer" means a new
18 or existing manufacturer that is focused on reequipping,
19 expanding, or establishing a manufacturing facility in
20 Illinois that produces electric vehicle power supply equipment
21 used for the purpose of delivering electricity to an electric
22 vehicle, including hydrogen fuel cell or solar refueling
23 infrastructure.

24 "Energy Transition Area" means a county with less than
25 100,000 people or a municipality that contains one or more of
26 the following:

1 (1) a fossil fuel plant that was retired from service
2 or has significant reduced service within 6 years before
3 the time of the application or will be retired or have
4 service significantly reduced within 6 years following the
5 time of the application; or

6 (2) a coal mine that was closed or had operations
7 significantly reduced within 6 years before the time of
8 the application or is anticipated to be closed or have
9 operations significantly reduced within 6 years following
10 the time of the application.

11 "Full-time employee" means an individual who is employed
12 for consideration for at least 35 hours each week or who
13 renders any other standard of service generally accepted by
14 industry custom or practice as full-time employment. An
15 individual for whom a W-2 is issued by a Professional Employer
16 Organization (PEO) is a full-time employee if employed in the
17 service of the applicant for consideration for at least 35
18 hours each week.

19 "Incremental income tax" means the total amount withheld
20 during the taxable year from the compensation of new employees
21 and, if applicable, retained employees under Article 7 of the
22 Illinois Income Tax Act arising from employment at a project
23 that is the subject of an agreement.

24 "Institution of higher education" or "institution" means
25 any accredited public or private university, college,
26 community college, business, technical, or vocational school,

1 or other accredited educational institution offering degrees
2 and instruction beyond the secondary school level.

3 "Minority person" means a minority person as defined in
4 the Business Enterprise for Minorities, Women, and Persons
5 with Disabilities Act.

6 "New employee" means a newly-hired full-time employee
7 employed to work at the project site and whose work is directly
8 related to the project.

9 "Noncompliance date" means, in the case of a taxpayer that
10 is not complying with the requirements of the agreement or the
11 provisions of this Act, the day following the last date upon
12 which the taxpayer was in compliance with the requirements of
13 the agreement and the provisions of this Act, as determined by
14 the Director, pursuant to Section 70.

15 "Pass-through entity" means an entity that is exempt from
16 the tax under subsection (b) or (c) of Section 205 of the
17 Illinois Income Tax Act.

18 "Placed in service" means the state or condition of
19 readiness, availability for a specifically assigned function,
20 and the facility is constructed and ready to conduct its
21 facility operations to manufacture goods.

22 "Professional employer organization" (PEO) means an
23 employee leasing company, as defined in Section 206.1 of the
24 Illinois Unemployment Insurance Act.

25 "Program" means the Reimagining Electric Vehicles in
26 Illinois Program (the REV Illinois Program) established in

1 this Act.

2 "Project" or "REV Illinois Project" means a for-profit
3 economic development activity for the manufacture of electric
4 vehicles, electric vehicle component parts, or electric
5 vehicle power supply equipment which is designated by the
6 Department as a REV Illinois Project and is the subject of an
7 agreement.

8 "Recycling facility" means a location at which the
9 taxpayer disposes of batteries and other component parts in
10 manufacturing of electric vehicles, electric vehicle component
11 parts, or electric vehicle power supply equipment.

12 "Related member" means a person that, with respect to the
13 taxpayer during any portion of the taxable year, is any one of
14 the following:

15 (1) An individual stockholder, if the stockholder and
16 the members of the stockholder's family (as defined in
17 Section 318 of the Internal Revenue Code) own directly,
18 indirectly, beneficially, or constructively, in the
19 aggregate, at least 50% of the value of the taxpayer's
20 outstanding stock.

21 (2) A partnership, estate, trust and any partner or
22 beneficiary, if the partnership, estate, or trust, and its
23 partners or beneficiaries own directly, indirectly,
24 beneficially, or constructively, in the aggregate, at
25 least 50% of the profits, capital, stock, or value of the
26 taxpayer.

1 (3) A corporation, and any party related to the
2 corporation in a manner that would require an attribution
3 of stock from the corporation under the attribution rules
4 of Section 318 of the Internal Revenue Code, if the
5 Taxpayer owns directly, indirectly, beneficially, or
6 constructively at least 50% of the value of the
7 corporation's outstanding stock.

8 (4) A corporation and any party related to that
9 corporation in a manner that would require an attribution
10 of stock from the corporation to the party or from the
11 party to the corporation under the attribution rules of
12 Section 318 of the Internal Revenue Code, if the
13 corporation and all such related parties own in the
14 aggregate at least 50% of the profits, capital, stock, or
15 value of the taxpayer.

16 (5) A person to or from whom there is an attribution of
17 stock ownership in accordance with Section 1563(e) of the
18 Internal Revenue Code, except, for purposes of determining
19 whether a person is a related member under this paragraph,
20 20% shall be substituted for 5% wherever 5% appears in
21 Section 1563(e) of the Internal Revenue Code.

22 "Retained employee" means a full-time employee employed by
23 the taxpayer prior to the term of the Agreement who continues
24 to be employed during the term of the agreement whose job
25 duties are directly and substantially related to the project.
26 For purposes of this definition, "directly and substantially

1 related to the project" means at least two-thirds of the
2 employee's job duties must be directly related to the project
3 and the employee must devote at least two-thirds of his or her
4 time to the project. The term "retained employee" does not
5 include any individual who has a direct or an indirect
6 ownership interest of at least 5% in the profits, equity,
7 capital, or value of the taxpayer or a child, grandchild,
8 parent, or spouse, other than a spouse who is legally
9 separated from the individual, of any individual who has a
10 direct or indirect ownership of at least 5% in the profits,
11 equity, capital, or value of the taxpayer.

12 "REV Illinois credit" means a credit agreed to between the
13 Department and the applicant under this Act that is based on
14 the incremental income tax attributable to new employees and,
15 if applicable, retained employees, and on training costs for
16 such employees at the applicant's project.

17 "REV construction jobs credit" means a credit agreed to
18 between the Department and the applicant under this Act that
19 is based on the incremental income tax attributable to
20 construction wages paid in connection with construction of the
21 project facilities.

22 "Statewide baseline" means the total number of full-time
23 employees of the applicant and any related member employed by
24 such entities at the time of application for incentives under
25 this Act.

26 "Taxpayer" means an individual, corporation, partnership,

1 or other entity that has a legal obligation to pay Illinois
2 income taxes and file an Illinois income tax return.

3 "Training costs" means costs incurred to upgrade the
4 technological skills of full-time employees in Illinois and
5 includes: curriculum development; training materials
6 (including scrap product costs); trainee domestic travel
7 expenses; instructor costs (including wages, fringe benefits,
8 tuition and domestic travel expenses); rent, purchase or lease
9 of training equipment; and other usual and customary training
10 costs. "Training costs" do not include costs associated with
11 travel outside the United States (unless the Taxpayer receives
12 prior written approval for the travel by the Director based on
13 a showing of substantial need or other proof the training is
14 not reasonably available within the United States), wages and
15 fringe benefits of employees during periods of training, or
16 administrative cost related to full-time employees of the
17 taxpayer.

18 "Underserved area" means any geographic areas as defined
19 in Section 5-5 of the Economic Development for a Growing
20 Economy Tax Credit Act.

21 (Source: P.A. 102-669, eff. 11-16-21.)

22 (20 ILCS 686/20)

23 Sec. 20. REV Illinois Program; project applications.

24 (a) The Reimagining Electric Vehicles in Illinois (REV
25 Illinois) Program is hereby established and shall be

1 administered by the Department. The Program will provide
2 financial incentives to any one or more of the following: (1)
3 eligible manufacturers of electric vehicles, electric vehicle
4 component parts, and electric vehicle power supply equipment;
5 (2) battery recycling and reuse manufacturers; or (3) battery
6 raw materials refining service providers.

7 (b) Any taxpayer planning a project to be located in
8 Illinois may request consideration for designation of its
9 project as a REV Illinois Project, by formal written letter of
10 request or by formal application to the Department, in which
11 the applicant states its intent to make at least a specified
12 level of investment and intends to hire a specified number of
13 full-time employees at a designated location in Illinois. As
14 circumstances require, the Department shall require a formal
15 application from an applicant and a formal letter of request
16 for assistance.

17 (c) In order to qualify for credits under the REV Illinois
18 Program, an Applicant must:

19 (1) for an electric vehicle manufacturer:

20 (A) make an investment of at least \$1,500,000,000
21 in capital improvements at the project site;

22 (B) to be placed in service within the State
23 within a 60-month period after approval of the
24 application; and

25 (C) create at least 500 new full-time employee
26 jobs; or

1 (2) for an electric vehicle component parts
2 manufacturer:

3 (A) make an investment of at least \$300,000,000 in
4 capital improvements at the project site;

5 (B) manufacture one or more parts that are
6 primarily used for electric vehicle manufacturing;

7 (C) to be placed in service within the State
8 within a 60-month period after approval of the
9 application; and

10 (D) create at least 150 new full-time employee
11 jobs; or

12 (3) for an electric vehicle manufacturer, an electric
13 vehicle power supply equipment manufacturer ~~Manufacturer~~,
14 an ~~or~~ electric vehicle component part manufacturer that
15 does not qualify ~~quality~~ under paragraph (2) above, a
16 battery recycling and reuse manufacturer, or a battery raw
17 materials refining service provider:

18 (A) make an investment of at least \$20,000,000 in
19 capital improvements at the project site;

20 (B) for electric vehicle component part
21 manufacturers, manufacture one or more parts that are
22 primarily used for electric vehicle manufacturing;

23 (C) to be placed in service within the State
24 within a 48-month period after approval of the
25 application; and

26 (D) create at least 50 new full-time employee

1 jobs; or

2 (4) for an electric vehicle manufacturer or electric
3 vehicle component parts manufacturer with existing
4 operations within Illinois that intends to convert or
5 expand, in whole or in part, the existing facility from
6 traditional manufacturing to primarily electric vehicle
7 manufacturing, electric vehicle component parts
8 manufacturing, or electric vehicle power supply equipment
9 manufacturing:

10 (A) make an investment of at least \$100,000,000 in
11 capital improvements at the project site;

12 (B) to be placed in service within the State
13 within a 60-month period after approval of the
14 application; and

15 (C) create the lesser of 75 new full-time employee
16 jobs or new full-time employee jobs equivalent to 10%
17 of the Statewide baseline applicable to the taxpayer
18 and any related member at the time of application.

19 (d) For agreements entered into prior to the effective
20 date of this amendatory Act of the 102nd General Assembly, for
21 ~~For~~ any applicant creating the full-time employee jobs noted
22 in subsection (c), those jobs must have a total compensation
23 equal to or greater than 120% of the average wage paid to
24 full-time employees in the county where the project is
25 located, as determined by the U.S. Bureau of Labor Statistics.
26 For agreements entered into on or after the effective date of

1 this amendatory Act of the 102nd General Assembly, for any
2 applicant creating the full-time employee jobs noted in
3 subsection (c), those jobs must have a compensation equal to
4 or greater than 120% of the average wage paid to full-time
5 employees in a similar position within an occupational group
6 in the county where the project is located, as determined by
7 the U.S. Bureau of Labor Statistics.

8 (e) For any applicant, within 24 months after being placed
9 in service, it must certify to the Department that it is carbon
10 neutral or has attained certification under one of more of the
11 following green building standards:

12 (1) BREEAM for New Construction or BREEAM In-Use;

13 (2) ENERGY STAR;

14 (3) Envision;

15 (4) ISO 50001 - energy management;

16 (5) LEED for Building Design and Construction or LEED
17 for Building Operations and Maintenance;

18 (6) Green Globes for New Construction or Green Globes
19 for Existing Buildings; or

20 (7) UL 3223.

21 (f) Each applicant must outline its hiring plan and
22 commitment to recruit and hire full-time employee positions at
23 the project site. The hiring plan may include a partnership
24 with an institution of higher education to provide
25 internships, including, but not limited to, internships
26 supported by the Clean Jobs Workforce Network Program, or

1 full-time permanent employment for students at the project
2 site. Additionally, the applicant may create or utilize
3 participants from apprenticeship programs that are approved by
4 and registered with the United States Department of Labor's
5 Bureau of Apprenticeship and Training. The Applicant may apply
6 for apprenticeship education expense credits in accordance
7 with the provisions set forth in 14 Ill. Admin. Code 522. Each
8 applicant is required to report annually, on or before April
9 15, on the diversity of its workforce in accordance with
10 Section 50 of this Act. For existing facilities of applicants
11 under paragraph (3) of subsection (b) above, if the taxpayer
12 expects a reduction in force due to its transition to
13 manufacturing electric vehicle, electric vehicle component
14 parts, or electric vehicle power supply equipment, the plan
15 submitted under this Section must outline the taxpayer's plan
16 to assist with retraining its workforce aligned with the
17 taxpayer's adoption of new technologies and anticipated
18 efforts to retrain employees through employment opportunities
19 within the taxpayer's workforce.

20 (g) Each applicant must demonstrate a contractual or other
21 relationship with a recycling facility, or demonstrate its own
22 recycling capabilities, at the time of application and report
23 annually a continuing contractual or other relationship with a
24 recycling facility and the percentage of batteries used in
25 electric vehicles recycled throughout the term of the
26 agreement.

1 (h) A taxpayer may not enter into more than one agreement
2 under this Act with respect to a single address or location for
3 the same period of time. Also, a taxpayer may not enter into an
4 agreement under this Act with respect to a single address or
5 location for the same period of time for which the taxpayer
6 currently holds an active agreement under the Economic
7 Development for a Growing Economy Tax Credit Act. This
8 provision does not preclude the applicant from entering into
9 an additional agreement after the expiration or voluntary
10 termination of an earlier agreement under this Act or under
11 the Economic Development for a Growing Economy Tax Credit Act
12 to the extent that the taxpayer's application otherwise
13 satisfies the terms and conditions of this Act and is approved
14 by the Department. An applicant with an existing agreement
15 under the Economic Development for a Growing Economy Tax
16 Credit Act may submit an application for an agreement under
17 this Act after it terminates any existing agreement under the
18 Economic Development for a Growing Economy Tax Credit Act with
19 respect to the same address or location.

20 (Source: P.A. 102-669, eff. 11-16-21.)

21 ARTICLE 55. EARNED INCOME TAX CREDIT

22 Section 55-5. The Illinois Income Tax Act is amended by
23 changing Section 212 as follows:

1 (35 ILCS 5/212)

2 Sec. 212. Earned income tax credit.

3 (a) With respect to the federal earned income tax credit
4 allowed for the taxable year under Section 32 of the federal
5 Internal Revenue Code, 26 U.S.C. 32, each individual taxpayer
6 is entitled to a credit against the tax imposed by subsections
7 (a) and (b) of Section 201 in an amount equal to (i) 5% of the
8 federal tax credit for each taxable year beginning on or after
9 January 1, 2000 and ending prior to December 31, 2012, (ii)
10 7.5% of the federal tax credit for each taxable year beginning
11 on or after January 1, 2012 and ending prior to December 31,
12 2013, (iii) 10% of the federal tax credit for each taxable year
13 beginning on or after January 1, 2013 and beginning prior to
14 January 1, 2017, (iv) 14% of the federal tax credit for each
15 taxable year beginning on or after January 1, 2017 and
16 beginning prior to January 1, 2018, ~~and~~ (v) 18% of the federal
17 tax credit for each taxable year beginning on or after January
18 1, 2018 and beginning prior to January 1, 2023, and (vi) 20% of
19 the federal tax credit for each taxable year beginning on or
20 after January 1, 2023.

21 For a non-resident or part-year resident, the amount of
22 the credit under this Section shall be in proportion to the
23 amount of income attributable to this State.

24 (b) For taxable years beginning before January 1, 2003, in
25 no event shall a credit under this Section reduce the
26 taxpayer's liability to less than zero. For each taxable year

1 beginning on or after January 1, 2003, if the amount of the
2 credit exceeds the income tax liability for the applicable tax
3 year, then the excess credit shall be refunded to the
4 taxpayer. The amount of a refund shall not be included in the
5 taxpayer's income or resources for the purposes of determining
6 eligibility or benefit level in any means-tested benefit
7 program administered by a governmental entity unless required
8 by federal law.

9 (b-5) For taxable years beginning on or after January 1,
10 2023, each individual taxpayer who has attained the age of 18
11 during the taxable year but has not yet attained the age of 25
12 is entitled to the credit under paragraph (a) based on the
13 federal tax credit for which the taxpayer would have been
14 eligible without regard to any age requirements that would
15 otherwise apply to individuals without a qualifying child in
16 Section 32(c)(1)(A)(ii) of the federal Internal Revenue Code.

17 (b-10) For taxable years beginning on or after January 1,
18 2023, each individual taxpayer who has attained the age of 65
19 or older during the taxable year is entitled to the credit
20 under paragraph (a) based on the federal tax credit for which
21 the taxpayer would have been eligible without regard to any
22 age requirements that would otherwise apply to individuals
23 without a qualifying child in Section 32(c)(1)(A)(ii) of the
24 federal Internal Revenue Code.

25 (b-15) For taxable years beginning on or after January 1,
26 2023, each individual taxpayer filing a return using an

1 individual taxpayer identification number (ITIN) as prescribed
2 under Section 6109 of the Internal Revenue Code, other than a
3 Social Security number issued pursuant to Section 205(c)(2)(A)
4 of the Social Security Act, is entitled to the credit under
5 paragraph (a) based on the federal tax credit for which they
6 would have been eligible without applying the restrictions
7 regarding social security numbers in Section 32(m) of the
8 federal Internal Revenue Code.

9 (c) This Section is exempt from the provisions of Section
10 250.

11 (Source: P.A. 100-22, eff. 7-6-17.)

12 ARTICLE 60. GROCERIES

13 Section 60-5. The State Finance Act is amended by adding
14 Section 5.971 as follows:

15 (30 ILCS 105/5.971 new)

16 Sec. 5.971. The Grocery Tax Replacement Fund. This Section
17 is repealed January 1, 2024.

18 Section 60-10. The State Finance Act is amended by
19 changing Sections 6z-17 and 6z-18 and by adding Section 6z-130
20 as follows:

21 (30 ILCS 105/6z-17) (from Ch. 127, par. 142z-17)

1 Sec. 6z-17. State and Local Sales Tax Reform Fund.

2 (a) After deducting the amount transferred to the Tax
3 Compliance and Administration Fund under subsection (b), of
4 the money paid into the State and Local Sales Tax Reform Fund:

5 (i) subject to appropriation to the Department of Revenue,
6 Municipalities having 1,000,000 or more inhabitants shall
7 receive 20% and may expend such amount to fund and establish a
8 program for developing and coordinating public and private
9 resources targeted to meet the affordable housing needs of
10 low-income and very low-income households within such
11 municipality, (ii) 10% shall be transferred into the Regional
12 Transportation Authority Occupation and Use Tax Replacement
13 Fund, a special fund in the State treasury which is hereby
14 created, (iii) until July 1, 2013, subject to appropriation to
15 the Department of Transportation, the Madison County Mass
16 Transit District shall receive .6%, and beginning on July 1,
17 2013, subject to appropriation to the Department of Revenue,
18 0.6% shall be distributed each month out of the Fund to the
19 Madison County Mass Transit District, (iv) the following
20 amounts, plus any cumulative deficiency in such transfers for
21 prior months, shall be transferred monthly into the Build
22 Illinois Fund and credited to the Build Illinois Bond Account
23 therein:

24 Fiscal Year	Amount
25 1990	\$2,700,000
26 1991	1,850,000

1	1992	2,750,000
2	1993	2,950,000

3 From Fiscal Year 1994 through Fiscal Year 2025 the
4 transfer shall total \$3,150,000 monthly, plus any cumulative
5 deficiency in such transfers for prior months, and (v) the
6 remainder of the money paid into the State and Local Sales Tax
7 Reform Fund shall be transferred into the Local Government
8 Distributive Fund and, except for municipalities with
9 1,000,000 or more inhabitants which shall receive no portion
10 of such remainder, shall be distributed, subject to
11 appropriation, in the manner provided by Section 2 of "An Act
12 in relation to State revenue sharing with local government
13 entities", approved July 31, 1969, as now or hereafter
14 amended. Municipalities with more than 50,000 inhabitants
15 according to the 1980 U.S. Census and located within the Metro
16 East Mass Transit District receiving funds pursuant to
17 provision (v) of this paragraph may expend such amounts to
18 fund and establish a program for developing and coordinating
19 public and private resources targeted to meet the affordable
20 housing needs of low-income and very low-income households
21 within such municipality.

22 Moneys transferred from the Grocery Tax Replacement Fund
23 to the State and Local Sales Tax Reform Fund under Section
24 6z-130 shall be treated under this Section in the same manner
25 as if they had been remitted with the return on which they were
26 reported.

1 (b) Beginning on the first day of the first calendar month
2 to occur on or after the effective date of this amendatory Act
3 of the 98th General Assembly, each month the Department of
4 Revenue shall certify to the State Comptroller and the State
5 Treasurer, and the State Comptroller shall order transferred
6 and the State Treasurer shall transfer from the State and
7 Local Sales Tax Reform Fund to the Tax Compliance and
8 Administration Fund, an amount equal to 1/12 of 5% of 20% of
9 the cash receipts collected during the preceding fiscal year
10 by the Audit Bureau of the Department of Revenue under the Use
11 Tax Act, the Service Use Tax Act, the Service Occupation Tax
12 Act, the Retailers' Occupation Tax Act, and associated local
13 occupation and use taxes administered by the Department. The
14 amount distributed under subsection (a) each month shall first
15 be reduced by the amount transferred to the Tax Compliance and
16 Administration Fund under this subsection (b). Moneys
17 transferred to the Tax Compliance and Administration Fund
18 under this subsection (b) shall be used, subject to
19 appropriation, to fund additional auditors and compliance
20 personnel at the Department of Revenue.

21 (Source: P.A. 98-44, eff. 6-28-13; 98-1098, eff. 8-26-14.)

22 (30 ILCS 105/6z-18) (from Ch. 127, par. 142z-18)

23 Sec. 6z-18. Local Government Tax Fund. A portion of the
24 money paid into the Local Government Tax Fund from sales of
25 tangible personal property taxed at the 1% rate under the

1 Retailers' Occupation Tax Act and the Service Occupation Tax
2 Act, which occurred in municipalities, shall be distributed to
3 each municipality based upon the sales which occurred in that
4 municipality. The remainder shall be distributed to each
5 county based upon the sales which occurred in the
6 unincorporated area of that county.

7 Moneys transferred from the Grocery Tax Replacement Fund
8 to the Local Government Tax Fund under Section 6z-130 shall be
9 treated under this Section in the same manner as if they had
10 been remitted with the return on which they were reported.

11 A portion of the money paid into the Local Government Tax
12 Fund from the 6.25% general use tax rate on the selling price
13 of tangible personal property which is purchased outside
14 Illinois at retail from a retailer and which is titled or
15 registered by any agency of this State's government shall be
16 distributed to municipalities as provided in this paragraph.
17 Each municipality shall receive the amount attributable to
18 sales for which Illinois addresses for titling or registration
19 purposes are given as being in such municipality. The
20 remainder of the money paid into the Local Government Tax Fund
21 from such sales shall be distributed to counties. Each county
22 shall receive the amount attributable to sales for which
23 Illinois addresses for titling or registration purposes are
24 given as being located in the unincorporated area of such
25 county.

26 A portion of the money paid into the Local Government Tax

1 Fund from the 6.25% general rate (and, beginning July 1, 2000
2 and through December 31, 2000, the 1.25% rate on motor fuel and
3 gasohol, and beginning on August 6, 2010 through August 15,
4 2010, the 1.25% rate on sales tax holiday items) on sales
5 subject to taxation under the Retailers' Occupation Tax Act
6 and the Service Occupation Tax Act, which occurred in
7 municipalities, shall be distributed to each municipality,
8 based upon the sales which occurred in that municipality. The
9 remainder shall be distributed to each county, based upon the
10 sales which occurred in the unincorporated area of such
11 county.

12 For the purpose of determining allocation to the local
13 government unit, a retail sale by a producer of coal or other
14 mineral mined in Illinois is a sale at retail at the place
15 where the coal or other mineral mined in Illinois is extracted
16 from the earth. This paragraph does not apply to coal or other
17 mineral when it is delivered or shipped by the seller to the
18 purchaser at a point outside Illinois so that the sale is
19 exempt under the United States Constitution as a sale in
20 interstate or foreign commerce.

21 Whenever the Department determines that a refund of money
22 paid into the Local Government Tax Fund should be made to a
23 claimant instead of issuing a credit memorandum, the
24 Department shall notify the State Comptroller, who shall cause
25 the order to be drawn for the amount specified, and to the
26 person named, in such notification from the Department. Such

1 refund shall be paid by the State Treasurer out of the Local
2 Government Tax Fund.

3 As soon as possible after the first day of each month,
4 beginning January 1, 2011, upon certification of the
5 Department of Revenue, the Comptroller shall order
6 transferred, and the Treasurer shall transfer, to the STAR
7 Bonds Revenue Fund the local sales tax increment, as defined
8 in the Innovation Development and Economy Act, collected
9 during the second preceding calendar month for sales within a
10 STAR bond district and deposited into the Local Government Tax
11 Fund, less 3% of that amount, which shall be transferred into
12 the Tax Compliance and Administration Fund and shall be used
13 by the Department, subject to appropriation, to cover the
14 costs of the Department in administering the Innovation
15 Development and Economy Act.

16 After the monthly transfer to the STAR Bonds Revenue Fund,
17 on or before the 25th day of each calendar month, the
18 Department shall prepare and certify to the Comptroller the
19 disbursement of stated sums of money to named municipalities
20 and counties, the municipalities and counties to be those
21 entitled to distribution of taxes or penalties paid to the
22 Department during the second preceding calendar month. The
23 amount to be paid to each municipality or county shall be the
24 amount (not including credit memoranda) collected during the
25 second preceding calendar month by the Department and paid
26 into the Local Government Tax Fund, plus an amount the

1 Department determines is necessary to offset any amounts which
2 were erroneously paid to a different taxing body, and not
3 including an amount equal to the amount of refunds made during
4 the second preceding calendar month by the Department, and not
5 including any amount which the Department determines is
6 necessary to offset any amounts which are payable to a
7 different taxing body but were erroneously paid to the
8 municipality or county, and not including any amounts that are
9 transferred to the STAR Bonds Revenue Fund. Within 10 days
10 after receipt, by the Comptroller, of the disbursement
11 certification to the municipalities and counties, provided for
12 in this Section to be given to the Comptroller by the
13 Department, the Comptroller shall cause the orders to be drawn
14 for the respective amounts in accordance with the directions
15 contained in such certification.

16 When certifying the amount of monthly disbursement to a
17 municipality or county under this Section, the Department
18 shall increase or decrease that amount by an amount necessary
19 to offset any misallocation of previous disbursements. The
20 offset amount shall be the amount erroneously disbursed within
21 the 6 months preceding the time a misallocation is discovered.

22 The provisions directing the distributions from the
23 special fund in the State Treasury provided for in this
24 Section shall constitute an irrevocable and continuing
25 appropriation of all amounts as provided herein. The State
26 Treasurer and State Comptroller are hereby authorized to make

1 distributions as provided in this Section.

2 In construing any development, redevelopment, annexation,
3 preannexation or other lawful agreement in effect prior to
4 September 1, 1990, which describes or refers to receipts from
5 a county or municipal retailers' occupation tax, use tax or
6 service occupation tax which now cannot be imposed, such
7 description or reference shall be deemed to include the
8 replacement revenue for such abolished taxes, distributed from
9 the Local Government Tax Fund.

10 As soon as possible after the effective date of this
11 amendatory Act of the 98th General Assembly, the State
12 Comptroller shall order and the State Treasurer shall transfer
13 \$6,600,000 from the Local Government Tax Fund to the Illinois
14 State Medical Disciplinary Fund.

15 (Source: P.A. 100-1171, eff. 1-4-19.)

16 (30 ILCS 105/6z-130 new)

17 Sec. 6z-130. Grocery Tax Replacement Fund.

18 (a) The Grocery Tax Replacement Fund is hereby created as
19 a special fund in the State Treasury.

20 (b) On the effective date of this amendatory Act of the
21 102nd General Assembly, or as soon thereafter as practical,
22 but no later than June 30, 2022, the State Comptroller shall
23 direct and the State Treasurer shall transfer the sum of
24 \$325,000,000 from the General Revenue Fund to the Grocery Tax
25 Replacement Fund.

1 (c) On July 1, 2022, or as soon thereafter as practical,
2 the State Comptroller shall direct and the State Treasurer
3 shall transfer the sum of \$75,000,000 from the General Revenue
4 Fund to the Grocery Tax Replacement Fund.

5 (d) In addition to any other transfers that may be
6 provided for by law, beginning on the effective date of this
7 amendatory Act of the 102nd General Assembly and until
8 November 30, 2023, the Director may certify additional
9 transfer amounts needed beyond the amounts specified in
10 subsections (b) and (c) to cover any additional amounts needed
11 to equal the net revenue that, but for the reduction of the
12 rate to 0% in the Use Tax Act, the Service Use Tax Act, the
13 Service Occupation Tax Act, and the Retailers' Occupation Tax
14 Act under this amendatory Act of the 102nd General Assembly,
15 would have been realized if the items that are subject to the
16 rate reduction had been taxed at the 1% rate during the period
17 of the reduction. The State Comptroller shall direct and the
18 State Treasurer shall transfer the amounts certified by the
19 Director from the General Revenue Fund to the Grocery Tax
20 Replacement Fund.

21 (e) In addition to any other transfers that may be
22 provided for by law, beginning on July 1, 2022 and until
23 December 1, 2023, at the direction of the Department of
24 Revenue, the State Comptroller shall direct and the State
25 Treasurer shall transfer from the Grocery Tax Replacement Fund
26 to the State and Local Sales Tax Reform Fund any amounts needed

1 to equal the net revenue that, but for the reduction of the
2 rate to 0% in the Use Tax Act and Service Use Tax Act under
3 this amendatory Act of the 102nd General Assembly, would have
4 been deposited into the State and Local Sales Tax Reform Fund
5 if the items that are subject to the rate reduction had been
6 taxed at the 1% rate during the period of the reduction.

7 (f) In addition to any other transfers that may be
8 provided for by law, beginning on July 1, 2022 and until
9 December 1, 2023, at the direction of the Department of
10 Revenue, the State Comptroller shall direct and the State
11 Treasurer shall transfer from the Grocery Tax Replacement Fund
12 to the Local Government Tax Fund any amounts needed to equal
13 the net revenue that, but for the reduction of the rate to 0%
14 in the Service Occupation Tax Act and the Retailers'
15 Occupation Tax Act under this amendatory Act of the 102nd
16 General Assembly, would have been deposited into the Local
17 Government Tax Fund if the items that are subject to the rate
18 reduction had been taxed at the 1% rate during the period of
19 the reduction.

20 (g) The State Comptroller shall direct and the State
21 Treasurer shall transfer the remaining balance in the Grocery
22 Tax Replacement Fund to the General Revenue Fund on December
23 1, 2023, or as soon thereafter as practical. Upon completion
24 of the transfer, the Grocery Tax Replacement Fund is
25 dissolved.

26 (h) This Section is repealed on January 1, 2024.

1 Section 60-15. The Use Tax Act is amended by changing
2 Sections 3-10, 3a, and 9 as follows:

3 (35 ILCS 105/3-10)

4 Sec. 3-10. Rate of tax. Unless otherwise provided in this
5 Section, the tax imposed by this Act is at the rate of 6.25% of
6 either the selling price or the fair market value, if any, of
7 the tangible personal property. In all cases where property
8 functionally used or consumed is the same as the property that
9 was purchased at retail, then the tax is imposed on the selling
10 price of the property. In all cases where property
11 functionally used or consumed is a by-product or waste product
12 that has been refined, manufactured, or produced from property
13 purchased at retail, then the tax is imposed on the lower of
14 the fair market value, if any, of the specific property so used
15 in this State or on the selling price of the property purchased
16 at retail. For purposes of this Section "fair market value"
17 means the price at which property would change hands between a
18 willing buyer and a willing seller, neither being under any
19 compulsion to buy or sell and both having reasonable knowledge
20 of the relevant facts. The fair market value shall be
21 established by Illinois sales by the taxpayer of the same
22 property as that functionally used or consumed, or if there
23 are no such sales by the taxpayer, then comparable sales or
24 purchases of property of like kind and character in Illinois.

1 Beginning on July 1, 2000 and through December 31, 2000,
2 with respect to motor fuel, as defined in Section 1.1 of the
3 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of
4 the Use Tax Act, the tax is imposed at the rate of 1.25%.

5 Beginning on August 6, 2010 through August 15, 2010, with
6 respect to sales tax holiday items as defined in Section 3-6 of
7 this Act, the tax is imposed at the rate of 1.25%.

8 With respect to gasohol, the tax imposed by this Act
9 applies to (i) 70% of the proceeds of sales made on or after
10 January 1, 1990, and before July 1, 2003, (ii) 80% of the
11 proceeds of sales made on or after July 1, 2003 and on or
12 before July 1, 2017, and (iii) 100% of the proceeds of sales
13 made thereafter. If, at any time, however, the tax under this
14 Act on sales of gasohol is imposed at the rate of 1.25%, then
15 the tax imposed by this Act applies to 100% of the proceeds of
16 sales of gasohol made during that time.

17 With respect to majority blended ethanol fuel, the tax
18 imposed by this Act does not apply to the proceeds of sales
19 made on or after July 1, 2003 and on or before December 31,
20 2023 but applies to 100% of the proceeds of sales made
21 thereafter.

22 With respect to biodiesel blends with no less than 1% and
23 no more than 10% biodiesel, the tax imposed by this Act applies
24 to (i) 80% of the proceeds of sales made on or after July 1,
25 2003 and on or before December 31, 2018 and (ii) 100% of the
26 proceeds of sales made thereafter. If, at any time, however,

1 the tax under this Act on sales of biodiesel blends with no
2 less than 1% and no more than 10% biodiesel is imposed at the
3 rate of 1.25%, then the tax imposed by this Act applies to 100%
4 of the proceeds of sales of biodiesel blends with no less than
5 1% and no more than 10% biodiesel made during that time.

6 With respect to 100% biodiesel and biodiesel blends with
7 more than 10% but no more than 99% biodiesel, the tax imposed
8 by this Act does not apply to the proceeds of sales made on or
9 after July 1, 2003 and on or before December 31, 2023 but
10 applies to 100% of the proceeds of sales made thereafter.

11 Until July 1, 2022 and beginning again on July 1, 2023,
12 with ~~With~~ respect to food for human consumption that is to be
13 consumed off the premises where it is sold (other than
14 alcoholic beverages, food consisting of or infused with adult
15 use cannabis, soft drinks, and food that has been prepared for
16 immediate consumption), the tax is imposed at the rate of 1%.
17 Beginning on July 1, 2022 and until July 1, 2023, with respect
18 to food for human consumption that is to be consumed off the
19 premises where it is sold (other than alcoholic beverages,
20 food consisting of or infused with adult use cannabis, soft
21 drinks, and food that has been prepared for immediate
22 consumption), the tax is imposed at the rate of 0%.

23 With respect to ~~and~~ prescription and nonprescription
24 medicines, drugs, medical appliances, products classified as
25 Class III medical devices by the United States Food and Drug
26 Administration that are used for cancer treatment pursuant to

1 a prescription, as well as any accessories and components
2 related to those devices, modifications to a motor vehicle for
3 the purpose of rendering it usable by a person with a
4 disability, and insulin, blood sugar testing materials,
5 syringes, and needles used by human diabetics, the tax is
6 imposed at the rate of 1%. For the purposes of this Section,
7 until September 1, 2009: the term "soft drinks" means any
8 complete, finished, ready-to-use, non-alcoholic drink, whether
9 carbonated or not, including but not limited to soda water,
10 cola, fruit juice, vegetable juice, carbonated water, and all
11 other preparations commonly known as soft drinks of whatever
12 kind or description that are contained in any closed or sealed
13 bottle, can, carton, or container, regardless of size; but
14 "soft drinks" does not include coffee, tea, non-carbonated
15 water, infant formula, milk or milk products as defined in the
16 Grade A Pasteurized Milk and Milk Products Act, or drinks
17 containing 50% or more natural fruit or vegetable juice.

18 Notwithstanding any other provisions of this Act,
19 beginning September 1, 2009, "soft drinks" means non-alcoholic
20 beverages that contain natural or artificial sweeteners. "Soft
21 drinks" do not include beverages that contain milk or milk
22 products, soy, rice or similar milk substitutes, or greater
23 than 50% of vegetable or fruit juice by volume.

24 Until August 1, 2009, and notwithstanding any other
25 provisions of this Act, "food for human consumption that is to
26 be consumed off the premises where it is sold" includes all

1 food sold through a vending machine, except soft drinks and
2 food products that are dispensed hot from a vending machine,
3 regardless of the location of the vending machine. Beginning
4 August 1, 2009, and notwithstanding any other provisions of
5 this Act, "food for human consumption that is to be consumed
6 off the premises where it is sold" includes all food sold
7 through a vending machine, except soft drinks, candy, and food
8 products that are dispensed hot from a vending machine,
9 regardless of the location of the vending machine.

10 Notwithstanding any other provisions of this Act,
11 beginning September 1, 2009, "food for human consumption that
12 is to be consumed off the premises where it is sold" does not
13 include candy. For purposes of this Section, "candy" means a
14 preparation of sugar, honey, or other natural or artificial
15 sweeteners in combination with chocolate, fruits, nuts or
16 other ingredients or flavorings in the form of bars, drops, or
17 pieces. "Candy" does not include any preparation that contains
18 flour or requires refrigeration.

19 Notwithstanding any other provisions of this Act,
20 beginning September 1, 2009, "nonprescription medicines and
21 drugs" does not include grooming and hygiene products. For
22 purposes of this Section, "grooming and hygiene products"
23 includes, but is not limited to, soaps and cleaning solutions,
24 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan
25 lotions and screens, unless those products are available by
26 prescription only, regardless of whether the products meet the

1 definition of "over-the-counter-drugs". For the purposes of
2 this paragraph, "over-the-counter-drug" means a drug for human
3 use that contains a label that identifies the product as a drug
4 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"
5 label includes:

6 (A) A "Drug Facts" panel; or

7 (B) A statement of the "active ingredient(s)" with a
8 list of those ingredients contained in the compound,
9 substance or preparation.

10 Beginning on the effective date of this amendatory Act of
11 the 98th General Assembly, "prescription and nonprescription
12 medicines and drugs" includes medical cannabis purchased from
13 a registered dispensing organization under the Compassionate
14 Use of Medical Cannabis Program Act.

15 As used in this Section, "adult use cannabis" means
16 cannabis subject to tax under the Cannabis Cultivation
17 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law
18 and does not include cannabis subject to tax under the
19 Compassionate Use of Medical Cannabis Program Act.

20 If the property that is purchased at retail from a
21 retailer is acquired outside Illinois and used outside
22 Illinois before being brought to Illinois for use here and is
23 taxable under this Act, the "selling price" on which the tax is
24 computed shall be reduced by an amount that represents a
25 reasonable allowance for depreciation for the period of prior
26 out-of-state use.

1 (Source: P.A. 101-363, eff. 8-9-19; 101-593, eff. 12-4-19;
2 102-4, eff. 4-27-21.)

3 (35 ILCS 105/3a) (from Ch. 120, par. 439.3a)

4 Sec. 3a. The tax imposed by the Act shall when collected be
5 stated as a distinct item separate and apart from the selling
6 price of the tangible personal property. However, where it is
7 not possible to state the sales tax separately in situations
8 such as sales from vending machines or sales of liquor by the
9 drink the Department may by rule exempt such sales from this
10 requirement so long as purchasers are notified by a sign that
11 the tax is included in the selling price.

12 In addition, retailers who sell items that would have been
13 taxed at the 1% rate but for the 0% rate imposed under this
14 amendatory Act of the 102nd General Assembly shall, to the
15 extent feasible, include the following statement on any cash
16 register tape, receipt, invoice, or sales ticket issued to
17 customers: "From July 1, 2022 through July 1, 2023, the State
18 of Illinois sales tax on groceries is 0%." If it is not
19 feasible for the retailer to include the statement on any cash
20 register tape, receipt, invoice, or sales ticket issued to
21 customers, then the retailer shall post the statement on a
22 sign that is clearly visible to customers. The sign shall be no
23 smaller than 4 inches by 8 inches.

24 (Source: P.A. 84-229.)

1 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

2 Sec. 9. Except as to motor vehicles, watercraft, aircraft,
3 and trailers that are required to be registered with an agency
4 of this State, each retailer required or authorized to collect
5 the tax imposed by this Act shall pay to the Department the
6 amount of such tax (except as otherwise provided) at the time
7 when he is required to file his return for the period during
8 which such tax was collected, less a discount of 2.1% prior to
9 January 1, 1990, and 1.75% on and after January 1, 1990, or \$5
10 per calendar year, whichever is greater, which is allowed to
11 reimburse the retailer for expenses incurred in collecting the
12 tax, keeping records, preparing and filing returns, remitting
13 the tax and supplying data to the Department on request. The
14 discount under this Section is not allowed for the 1.25%
15 portion of taxes paid on aviation fuel that is subject to the
16 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
17 47133. When determining the discount allowed under this
18 Section, retailers shall include the amount of tax that would
19 have been due at the 1% rate but for the 0% rate imposed under
20 this amendatory Act of the 102nd General Assembly. In the case
21 of retailers who report and pay the tax on a transaction by
22 transaction basis, as provided in this Section, such discount
23 shall be taken with each such tax remittance instead of when
24 such retailer files his periodic return. The discount allowed
25 under this Section is allowed only for returns that are filed
26 in the manner required by this Act. The Department may

1 disallow the discount for retailers whose certificate of
2 registration is revoked at the time the return is filed, but
3 only if the Department's decision to revoke the certificate of
4 registration has become final. A retailer need not remit that
5 part of any tax collected by him to the extent that he is
6 required to remit and does remit the tax imposed by the
7 Retailers' Occupation Tax Act, with respect to the sale of the
8 same property.

9 Where such tangible personal property is sold under a
10 conditional sales contract, or under any other form of sale
11 wherein the payment of the principal sum, or a part thereof, is
12 extended beyond the close of the period for which the return is
13 filed, the retailer, in collecting the tax (except as to motor
14 vehicles, watercraft, aircraft, and trailers that are required
15 to be registered with an agency of this State), may collect for
16 each tax return period, only the tax applicable to that part of
17 the selling price actually received during such tax return
18 period.

19 Except as provided in this Section, on or before the
20 twentieth day of each calendar month, such retailer shall file
21 a return for the preceding calendar month. Such return shall
22 be filed on forms prescribed by the Department and shall
23 furnish such information as the Department may reasonably
24 require. The return shall include the gross receipts on food
25 for human consumption that is to be consumed off the premises
26 where it is sold (other than alcoholic beverages, food

1 consisting of or infused with adult use cannabis, soft drinks,
2 and food that has been prepared for immediate consumption)
3 which were received during the preceding calendar month,
4 quarter, or year, as appropriate, and upon which tax would
5 have been due but for the 0% rate imposed under this amendatory
6 Act of the 102nd General Assembly. The return shall also
7 include the amount of tax that would have been due on food for
8 human consumption that is to be consumed off the premises
9 where it is sold (other than alcoholic beverages, food
10 consisting of or infused with adult use cannabis, soft drinks,
11 and food that has been prepared for immediate consumption) but
12 for the 0% rate imposed under this amendatory Act of the 102nd
13 General Assembly.

14 On and after January 1, 2018, except for returns for motor
15 vehicles, watercraft, aircraft, and trailers that are required
16 to be registered with an agency of this State, with respect to
17 retailers whose annual gross receipts average \$20,000 or more,
18 all returns required to be filed pursuant to this Act shall be
19 filed electronically. Retailers who demonstrate that they do
20 not have access to the Internet or demonstrate hardship in
21 filing electronically may petition the Department to waive the
22 electronic filing requirement.

23 The Department may require returns to be filed on a
24 quarterly basis. If so required, a return for each calendar
25 quarter shall be filed on or before the twentieth day of the
26 calendar month following the end of such calendar quarter. The

1 taxpayer shall also file a return with the Department for each
2 of the first two months of each calendar quarter, on or before
3 the twentieth day of the following calendar month, stating:

4 1. The name of the seller;

5 2. The address of the principal place of business from
6 which he engages in the business of selling tangible
7 personal property at retail in this State;

8 3. The total amount of taxable receipts received by
9 him during the preceding calendar month from sales of
10 tangible personal property by him during such preceding
11 calendar month, including receipts from charge and time
12 sales, but less all deductions allowed by law;

13 4. The amount of credit provided in Section 2d of this
14 Act;

15 5. The amount of tax due;

16 5-5. The signature of the taxpayer; and

17 6. Such other reasonable information as the Department
18 may require.

19 Each retailer required or authorized to collect the tax
20 imposed by this Act on aviation fuel sold at retail in this
21 State during the preceding calendar month shall, instead of
22 reporting and paying tax on aviation fuel as otherwise
23 required by this Section, report and pay such tax on a separate
24 aviation fuel tax return. The requirements related to the
25 return shall be as otherwise provided in this Section.
26 Notwithstanding any other provisions of this Act to the

1 contrary, retailers collecting tax on aviation fuel shall file
2 all aviation fuel tax returns and shall make all aviation fuel
3 tax payments by electronic means in the manner and form
4 required by the Department. For purposes of this Section,
5 "aviation fuel" means jet fuel and aviation gasoline.

6 If a taxpayer fails to sign a return within 30 days after
7 the proper notice and demand for signature by the Department,
8 the return shall be considered valid and any amount shown to be
9 due on the return shall be deemed assessed.

10 Notwithstanding any other provision of this Act to the
11 contrary, retailers subject to tax on cannabis shall file all
12 cannabis tax returns and shall make all cannabis tax payments
13 by electronic means in the manner and form required by the
14 Department.

15 Beginning October 1, 1993, a taxpayer who has an average
16 monthly tax liability of \$150,000 or more shall make all
17 payments required by rules of the Department by electronic
18 funds transfer. Beginning October 1, 1994, a taxpayer who has
19 an average monthly tax liability of \$100,000 or more shall
20 make all payments required by rules of the Department by
21 electronic funds transfer. Beginning October 1, 1995, a
22 taxpayer who has an average monthly tax liability of \$50,000
23 or more shall make all payments required by rules of the
24 Department by electronic funds transfer. Beginning October 1,
25 2000, a taxpayer who has an annual tax liability of \$200,000 or
26 more shall make all payments required by rules of the

1 Department by electronic funds transfer. The term "annual tax
2 liability" shall be the sum of the taxpayer's liabilities
3 under this Act, and under all other State and local occupation
4 and use tax laws administered by the Department, for the
5 immediately preceding calendar year. The term "average monthly
6 tax liability" means the sum of the taxpayer's liabilities
7 under this Act, and under all other State and local occupation
8 and use tax laws administered by the Department, for the
9 immediately preceding calendar year divided by 12. Beginning
10 on October 1, 2002, a taxpayer who has a tax liability in the
11 amount set forth in subsection (b) of Section 2505-210 of the
12 Department of Revenue Law shall make all payments required by
13 rules of the Department by electronic funds transfer.

14 Before August 1 of each year beginning in 1993, the
15 Department shall notify all taxpayers required to make
16 payments by electronic funds transfer. All taxpayers required
17 to make payments by electronic funds transfer shall make those
18 payments for a minimum of one year beginning on October 1.

19 Any taxpayer not required to make payments by electronic
20 funds transfer may make payments by electronic funds transfer
21 with the permission of the Department.

22 All taxpayers required to make payment by electronic funds
23 transfer and any taxpayers authorized to voluntarily make
24 payments by electronic funds transfer shall make those
25 payments in the manner authorized by the Department.

26 The Department shall adopt such rules as are necessary to

1 effectuate a program of electronic funds transfer and the
2 requirements of this Section.

3 Before October 1, 2000, if the taxpayer's average monthly
4 tax liability to the Department under this Act, the Retailers'
5 Occupation Tax Act, the Service Occupation Tax Act, the
6 Service Use Tax Act was \$10,000 or more during the preceding 4
7 complete calendar quarters, he shall file a return with the
8 Department each month by the 20th day of the month next
9 following the month during which such tax liability is
10 incurred and shall make payments to the Department on or
11 before the 7th, 15th, 22nd and last day of the month during
12 which such liability is incurred. On and after October 1,
13 2000, if the taxpayer's average monthly tax liability to the
14 Department under this Act, the Retailers' Occupation Tax Act,
15 the Service Occupation Tax Act, and the Service Use Tax Act was
16 \$20,000 or more during the preceding 4 complete calendar
17 quarters, he shall file a return with the Department each
18 month by the 20th day of the month next following the month
19 during which such tax liability is incurred and shall make
20 payment to the Department on or before the 7th, 15th, 22nd and
21 last day of the month during which such liability is incurred.
22 If the month during which such tax liability is incurred began
23 prior to January 1, 1985, each payment shall be in an amount
24 equal to 1/4 of the taxpayer's actual liability for the month
25 or an amount set by the Department not to exceed 1/4 of the
26 average monthly liability of the taxpayer to the Department

1 for the preceding 4 complete calendar quarters (excluding the
2 month of highest liability and the month of lowest liability
3 in such 4 quarter period). If the month during which such tax
4 liability is incurred begins on or after January 1, 1985, and
5 prior to January 1, 1987, each payment shall be in an amount
6 equal to 22.5% of the taxpayer's actual liability for the
7 month or 27.5% of the taxpayer's liability for the same
8 calendar month of the preceding year. If the month during
9 which such tax liability is incurred begins on or after
10 January 1, 1987, and prior to January 1, 1988, each payment
11 shall be in an amount equal to 22.5% of the taxpayer's actual
12 liability for the month or 26.25% of the taxpayer's liability
13 for the same calendar month of the preceding year. If the month
14 during which such tax liability is incurred begins on or after
15 January 1, 1988, and prior to January 1, 1989, or begins on or
16 after January 1, 1996, each payment shall be in an amount equal
17 to 22.5% of the taxpayer's actual liability for the month or
18 25% of the taxpayer's liability for the same calendar month of
19 the preceding year. If the month during which such tax
20 liability is incurred begins on or after January 1, 1989, and
21 prior to January 1, 1996, each payment shall be in an amount
22 equal to 22.5% of the taxpayer's actual liability for the
23 month or 25% of the taxpayer's liability for the same calendar
24 month of the preceding year or 100% of the taxpayer's actual
25 liability for the quarter monthly reporting period. The amount
26 of such quarter monthly payments shall be credited against the

1 final tax liability of the taxpayer's return for that month.
2 Before October 1, 2000, once applicable, the requirement of
3 the making of quarter monthly payments to the Department shall
4 continue until such taxpayer's average monthly liability to
5 the Department during the preceding 4 complete calendar
6 quarters (excluding the month of highest liability and the
7 month of lowest liability) is less than \$9,000, or until such
8 taxpayer's average monthly liability to the Department as
9 computed for each calendar quarter of the 4 preceding complete
10 calendar quarter period is less than \$10,000. However, if a
11 taxpayer can show the Department that a substantial change in
12 the taxpayer's business has occurred which causes the taxpayer
13 to anticipate that his average monthly tax liability for the
14 reasonably foreseeable future will fall below the \$10,000
15 threshold stated above, then such taxpayer may petition the
16 Department for change in such taxpayer's reporting status. On
17 and after October 1, 2000, once applicable, the requirement of
18 the making of quarter monthly payments to the Department shall
19 continue until such taxpayer's average monthly liability to
20 the Department during the preceding 4 complete calendar
21 quarters (excluding the month of highest liability and the
22 month of lowest liability) is less than \$19,000 or until such
23 taxpayer's average monthly liability to the Department as
24 computed for each calendar quarter of the 4 preceding complete
25 calendar quarter period is less than \$20,000. However, if a
26 taxpayer can show the Department that a substantial change in

1 the taxpayer's business has occurred which causes the taxpayer
2 to anticipate that his average monthly tax liability for the
3 reasonably foreseeable future will fall below the \$20,000
4 threshold stated above, then such taxpayer may petition the
5 Department for a change in such taxpayer's reporting status.
6 The Department shall change such taxpayer's reporting status
7 unless it finds that such change is seasonal in nature and not
8 likely to be long term. Quarter monthly payment status shall
9 be determined under this paragraph as if the rate reduction to
10 0% in this amendatory Act of the 102nd General Assembly on food
11 for human consumption that is to be consumed off the premises
12 where it is sold (other than alcoholic beverages, food
13 consisting of or infused with adult use cannabis, soft drinks,
14 and food that has been prepared for immediate consumption) had
15 not occurred. For quarter monthly payments due under this
16 paragraph on or after July 1, 2023 and through June 30, 2024,
17 "25% of the taxpayer's liability for the same calendar month
18 of the preceding year" shall be determined as if the rate
19 reduction to 0% in this amendatory Act of the 102nd General
20 Assembly had not occurred. If any such quarter monthly payment
21 is not paid at the time or in the amount required by this
22 Section, then the taxpayer shall be liable for penalties and
23 interest on the difference between the minimum amount due and
24 the amount of such quarter monthly payment actually and timely
25 paid, except insofar as the taxpayer has previously made
26 payments for that month to the Department in excess of the

1 minimum payments previously due as provided in this Section.
2 The Department shall make reasonable rules and regulations to
3 govern the quarter monthly payment amount and quarter monthly
4 payment dates for taxpayers who file on other than a calendar
5 monthly basis.

6 If any such payment provided for in this Section exceeds
7 the taxpayer's liabilities under this Act, the Retailers'
8 Occupation Tax Act, the Service Occupation Tax Act and the
9 Service Use Tax Act, as shown by an original monthly return,
10 the Department shall issue to the taxpayer a credit memorandum
11 no later than 30 days after the date of payment, which
12 memorandum may be submitted by the taxpayer to the Department
13 in payment of tax liability subsequently to be remitted by the
14 taxpayer to the Department or be assigned by the taxpayer to a
15 similar taxpayer under this Act, the Retailers' Occupation Tax
16 Act, the Service Occupation Tax Act or the Service Use Tax Act,
17 in accordance with reasonable rules and regulations to be
18 prescribed by the Department, except that if such excess
19 payment is shown on an original monthly return and is made
20 after December 31, 1986, no credit memorandum shall be issued,
21 unless requested by the taxpayer. If no such request is made,
22 the taxpayer may credit such excess payment against tax
23 liability subsequently to be remitted by the taxpayer to the
24 Department under this Act, the Retailers' Occupation Tax Act,
25 the Service Occupation Tax Act or the Service Use Tax Act, in
26 accordance with reasonable rules and regulations prescribed by

1 the Department. If the Department subsequently determines that
2 all or any part of the credit taken was not actually due to the
3 taxpayer, the taxpayer's 2.1% or 1.75% vendor's discount shall
4 be reduced by 2.1% or 1.75% of the difference between the
5 credit taken and that actually due, and the taxpayer shall be
6 liable for penalties and interest on such difference.

7 If the retailer is otherwise required to file a monthly
8 return and if the retailer's average monthly tax liability to
9 the Department does not exceed \$200, the Department may
10 authorize his returns to be filed on a quarter annual basis,
11 with the return for January, February, and March of a given
12 year being due by April 20 of such year; with the return for
13 April, May and June of a given year being due by July 20 of
14 such year; with the return for July, August and September of a
15 given year being due by October 20 of such year, and with the
16 return for October, November and December of a given year
17 being due by January 20 of the following year.

18 If the retailer is otherwise required to file a monthly or
19 quarterly return and if the retailer's average monthly tax
20 liability to the Department does not exceed \$50, the
21 Department may authorize his returns to be filed on an annual
22 basis, with the return for a given year being due by January 20
23 of the following year.

24 Such quarter annual and annual returns, as to form and
25 substance, shall be subject to the same requirements as
26 monthly returns.

1 Notwithstanding any other provision in this Act concerning
2 the time within which a retailer may file his return, in the
3 case of any retailer who ceases to engage in a kind of business
4 which makes him responsible for filing returns under this Act,
5 such retailer shall file a final return under this Act with the
6 Department not more than one month after discontinuing such
7 business.

8 In addition, with respect to motor vehicles, watercraft,
9 aircraft, and trailers that are required to be registered with
10 an agency of this State, except as otherwise provided in this
11 Section, every retailer selling this kind of tangible personal
12 property shall file, with the Department, upon a form to be
13 prescribed and supplied by the Department, a separate return
14 for each such item of tangible personal property which the
15 retailer sells, except that if, in the same transaction, (i) a
16 retailer of aircraft, watercraft, motor vehicles or trailers
17 transfers more than one aircraft, watercraft, motor vehicle or
18 trailer to another aircraft, watercraft, motor vehicle or
19 trailer retailer for the purpose of resale or (ii) a retailer
20 of aircraft, watercraft, motor vehicles, or trailers transfers
21 more than one aircraft, watercraft, motor vehicle, or trailer
22 to a purchaser for use as a qualifying rolling stock as
23 provided in Section 3-55 of this Act, then that seller may
24 report the transfer of all the aircraft, watercraft, motor
25 vehicles or trailers involved in that transaction to the
26 Department on the same uniform invoice-transaction reporting

1 return form. For purposes of this Section, "watercraft" means
2 a Class 2, Class 3, or Class 4 watercraft as defined in Section
3 3-2 of the Boat Registration and Safety Act, a personal
4 watercraft, or any boat equipped with an inboard motor.

5 In addition, with respect to motor vehicles, watercraft,
6 aircraft, and trailers that are required to be registered with
7 an agency of this State, every person who is engaged in the
8 business of leasing or renting such items and who, in
9 connection with such business, sells any such item to a
10 retailer for the purpose of resale is, notwithstanding any
11 other provision of this Section to the contrary, authorized to
12 meet the return-filing requirement of this Act by reporting
13 the transfer of all the aircraft, watercraft, motor vehicles,
14 or trailers transferred for resale during a month to the
15 Department on the same uniform invoice-transaction reporting
16 return form on or before the 20th of the month following the
17 month in which the transfer takes place. Notwithstanding any
18 other provision of this Act to the contrary, all returns filed
19 under this paragraph must be filed by electronic means in the
20 manner and form as required by the Department.

21 The transaction reporting return in the case of motor
22 vehicles or trailers that are required to be registered with
23 an agency of this State, shall be the same document as the
24 Uniform Invoice referred to in Section 5-402 of the Illinois
25 Vehicle Code and must show the name and address of the seller;
26 the name and address of the purchaser; the amount of the

1 selling price including the amount allowed by the retailer for
2 traded-in property, if any; the amount allowed by the retailer
3 for the traded-in tangible personal property, if any, to the
4 extent to which Section 2 of this Act allows an exemption for
5 the value of traded-in property; the balance payable after
6 deducting such trade-in allowance from the total selling
7 price; the amount of tax due from the retailer with respect to
8 such transaction; the amount of tax collected from the
9 purchaser by the retailer on such transaction (or satisfactory
10 evidence that such tax is not due in that particular instance,
11 if that is claimed to be the fact); the place and date of the
12 sale; a sufficient identification of the property sold; such
13 other information as is required in Section 5-402 of the
14 Illinois Vehicle Code, and such other information as the
15 Department may reasonably require.

16 The transaction reporting return in the case of watercraft
17 and aircraft must show the name and address of the seller; the
18 name and address of the purchaser; the amount of the selling
19 price including the amount allowed by the retailer for
20 traded-in property, if any; the amount allowed by the retailer
21 for the traded-in tangible personal property, if any, to the
22 extent to which Section 2 of this Act allows an exemption for
23 the value of traded-in property; the balance payable after
24 deducting such trade-in allowance from the total selling
25 price; the amount of tax due from the retailer with respect to
26 such transaction; the amount of tax collected from the

1 purchaser by the retailer on such transaction (or satisfactory
2 evidence that such tax is not due in that particular instance,
3 if that is claimed to be the fact); the place and date of the
4 sale, a sufficient identification of the property sold, and
5 such other information as the Department may reasonably
6 require.

7 Such transaction reporting return shall be filed not later
8 than 20 days after the date of delivery of the item that is
9 being sold, but may be filed by the retailer at any time sooner
10 than that if he chooses to do so. The transaction reporting
11 return and tax remittance or proof of exemption from the tax
12 that is imposed by this Act may be transmitted to the
13 Department by way of the State agency with which, or State
14 officer with whom, the tangible personal property must be
15 titled or registered (if titling or registration is required)
16 if the Department and such agency or State officer determine
17 that this procedure will expedite the processing of
18 applications for title or registration.

19 With each such transaction reporting return, the retailer
20 shall remit the proper amount of tax due (or shall submit
21 satisfactory evidence that the sale is not taxable if that is
22 the case), to the Department or its agents, whereupon the
23 Department shall issue, in the purchaser's name, a tax receipt
24 (or a certificate of exemption if the Department is satisfied
25 that the particular sale is tax exempt) which such purchaser
26 may submit to the agency with which, or State officer with

1 whom, he must title or register the tangible personal property
2 that is involved (if titling or registration is required) in
3 support of such purchaser's application for an Illinois
4 certificate or other evidence of title or registration to such
5 tangible personal property.

6 No retailer's failure or refusal to remit tax under this
7 Act precludes a user, who has paid the proper tax to the
8 retailer, from obtaining his certificate of title or other
9 evidence of title or registration (if titling or registration
10 is required) upon satisfying the Department that such user has
11 paid the proper tax (if tax is due) to the retailer. The
12 Department shall adopt appropriate rules to carry out the
13 mandate of this paragraph.

14 If the user who would otherwise pay tax to the retailer
15 wants the transaction reporting return filed and the payment
16 of tax or proof of exemption made to the Department before the
17 retailer is willing to take these actions and such user has not
18 paid the tax to the retailer, such user may certify to the fact
19 of such delay by the retailer, and may (upon the Department
20 being satisfied of the truth of such certification) transmit
21 the information required by the transaction reporting return
22 and the remittance for tax or proof of exemption directly to
23 the Department and obtain his tax receipt or exemption
24 determination, in which event the transaction reporting return
25 and tax remittance (if a tax payment was required) shall be
26 credited by the Department to the proper retailer's account

1 with the Department, but without the 2.1% or 1.75% discount
2 provided for in this Section being allowed. When the user pays
3 the tax directly to the Department, he shall pay the tax in the
4 same amount and in the same form in which it would be remitted
5 if the tax had been remitted to the Department by the retailer.

6 Where a retailer collects the tax with respect to the
7 selling price of tangible personal property which he sells and
8 the purchaser thereafter returns such tangible personal
9 property and the retailer refunds the selling price thereof to
10 the purchaser, such retailer shall also refund, to the
11 purchaser, the tax so collected from the purchaser. When
12 filing his return for the period in which he refunds such tax
13 to the purchaser, the retailer may deduct the amount of the tax
14 so refunded by him to the purchaser from any other use tax
15 which such retailer may be required to pay or remit to the
16 Department, as shown by such return, if the amount of the tax
17 to be deducted was previously remitted to the Department by
18 such retailer. If the retailer has not previously remitted the
19 amount of such tax to the Department, he is entitled to no
20 deduction under this Act upon refunding such tax to the
21 purchaser.

22 Any retailer filing a return under this Section shall also
23 include (for the purpose of paying tax thereon) the total tax
24 covered by such return upon the selling price of tangible
25 personal property purchased by him at retail from a retailer,
26 but as to which the tax imposed by this Act was not collected

1 from the retailer filing such return, and such retailer shall
2 remit the amount of such tax to the Department when filing such
3 return.

4 If experience indicates such action to be practicable, the
5 Department may prescribe and furnish a combination or joint
6 return which will enable retailers, who are required to file
7 returns hereunder and also under the Retailers' Occupation Tax
8 Act, to furnish all the return information required by both
9 Acts on the one form.

10 Where the retailer has more than one business registered
11 with the Department under separate registration under this
12 Act, such retailer may not file each return that is due as a
13 single return covering all such registered businesses, but
14 shall file separate returns for each such registered business.

15 Beginning January 1, 1990, each month the Department shall
16 pay into the State and Local Sales Tax Reform Fund, a special
17 fund in the State Treasury which is hereby created, the net
18 revenue realized for the preceding month from the 1% tax
19 imposed under this Act.

20 Beginning January 1, 1990, each month the Department shall
21 pay into the County and Mass Transit District Fund 4% of the
22 net revenue realized for the preceding month from the 6.25%
23 general rate on the selling price of tangible personal
24 property which is purchased outside Illinois at retail from a
25 retailer and which is titled or registered by an agency of this
26 State's government.

1 Beginning January 1, 1990, each month the Department shall
2 pay into the State and Local Sales Tax Reform Fund, a special
3 fund in the State Treasury, 20% of the net revenue realized for
4 the preceding month from the 6.25% general rate on the selling
5 price of tangible personal property, other than (i) tangible
6 personal property which is purchased outside Illinois at
7 retail from a retailer and which is titled or registered by an
8 agency of this State's government and (ii) aviation fuel sold
9 on or after December 1, 2019. This exception for aviation fuel
10 only applies for so long as the revenue use requirements of 49
11 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State.

12 For aviation fuel sold on or after December 1, 2019, each
13 month the Department shall pay into the State Aviation Program
14 Fund 20% of the net revenue realized for the preceding month
15 from the 6.25% general rate on the selling price of aviation
16 fuel, less an amount estimated by the Department to be
17 required for refunds of the 20% portion of the tax on aviation
18 fuel under this Act, which amount shall be deposited into the
19 Aviation Fuel Sales Tax Refund Fund. The Department shall only
20 pay moneys into the State Aviation Program Fund and the
21 Aviation Fuels Sales Tax Refund Fund under this Act for so long
22 as the revenue use requirements of 49 U.S.C. 47107(b) and 49
23 U.S.C. 47133 are binding on the State.

24 Beginning August 1, 2000, each month the Department shall
25 pay into the State and Local Sales Tax Reform Fund 100% of the
26 net revenue realized for the preceding month from the 1.25%

1 rate on the selling price of motor fuel and gasohol. Beginning
2 September 1, 2010, each month the Department shall pay into
3 the State and Local Sales Tax Reform Fund 100% of the net
4 revenue realized for the preceding month from the 1.25% rate
5 on the selling price of sales tax holiday items.

6 Beginning January 1, 1990, each month the Department shall
7 pay into the Local Government Tax Fund 16% of the net revenue
8 realized for the preceding month from the 6.25% general rate
9 on the selling price of tangible personal property which is
10 purchased outside Illinois at retail from a retailer and which
11 is titled or registered by an agency of this State's
12 government.

13 Beginning October 1, 2009, each month the Department shall
14 pay into the Capital Projects Fund an amount that is equal to
15 an amount estimated by the Department to represent 80% of the
16 net revenue realized for the preceding month from the sale of
17 candy, grooming and hygiene products, and soft drinks that had
18 been taxed at a rate of 1% prior to September 1, 2009 but that
19 are now taxed at 6.25%.

20 Beginning July 1, 2011, each month the Department shall
21 pay into the Clean Air Act Permit Fund 80% of the net revenue
22 realized for the preceding month from the 6.25% general rate
23 on the selling price of sorbents used in Illinois in the
24 process of sorbent injection as used to comply with the
25 Environmental Protection Act or the federal Clean Air Act, but
26 the total payment into the Clean Air Act Permit Fund under this

1 Act and the Retailers' Occupation Tax Act shall not exceed
2 \$2,000,000 in any fiscal year.

3 Beginning July 1, 2013, each month the Department shall
4 pay into the Underground Storage Tank Fund from the proceeds
5 collected under this Act, the Service Use Tax Act, the Service
6 Occupation Tax Act, and the Retailers' Occupation Tax Act an
7 amount equal to the average monthly deficit in the Underground
8 Storage Tank Fund during the prior year, as certified annually
9 by the Illinois Environmental Protection Agency, but the total
10 payment into the Underground Storage Tank Fund under this Act,
11 the Service Use Tax Act, the Service Occupation Tax Act, and
12 the Retailers' Occupation Tax Act shall not exceed \$18,000,000
13 in any State fiscal year. As used in this paragraph, the
14 "average monthly deficit" shall be equal to the difference
15 between the average monthly claims for payment by the fund and
16 the average monthly revenues deposited into the fund,
17 excluding payments made pursuant to this paragraph.

18 Beginning July 1, 2015, of the remainder of the moneys
19 received by the Department under this Act, the Service Use Tax
20 Act, the Service Occupation Tax Act, and the Retailers'
21 Occupation Tax Act, each month the Department shall deposit
22 \$500,000 into the State Crime Laboratory Fund.

23 Of the remainder of the moneys received by the Department
24 pursuant to this Act, (a) 1.75% thereof shall be paid into the
25 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
26 and after July 1, 1989, 3.8% thereof shall be paid into the

1 Build Illinois Fund; provided, however, that if in any fiscal
2 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case
3 may be, of the moneys received by the Department and required
4 to be paid into the Build Illinois Fund pursuant to Section 3
5 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax
6 Act, Section 9 of the Service Use Tax Act, and Section 9 of the
7 Service Occupation Tax Act, such Acts being hereinafter called
8 the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case
9 may be, of moneys being hereinafter called the "Tax Act
10 Amount", and (2) the amount transferred to the Build Illinois
11 Fund from the State and Local Sales Tax Reform Fund shall be
12 less than the Annual Specified Amount (as defined in Section 3
13 of the Retailers' Occupation Tax Act), an amount equal to the
14 difference shall be immediately paid into the Build Illinois
15 Fund from other moneys received by the Department pursuant to
16 the Tax Acts; and further provided, that if on the last
17 business day of any month the sum of (1) the Tax Act Amount
18 required to be deposited into the Build Illinois Bond Account
19 in the Build Illinois Fund during such month and (2) the amount
20 transferred during such month to the Build Illinois Fund from
21 the State and Local Sales Tax Reform Fund shall have been less
22 than 1/12 of the Annual Specified Amount, an amount equal to
23 the difference shall be immediately paid into the Build
24 Illinois Fund from other moneys received by the Department
25 pursuant to the Tax Acts; and, further provided, that in no
26 event shall the payments required under the preceding proviso

1 result in aggregate payments into the Build Illinois Fund
2 pursuant to this clause (b) for any fiscal year in excess of
3 the greater of (i) the Tax Act Amount or (ii) the Annual
4 Specified Amount for such fiscal year; and, further provided,
5 that the amounts payable into the Build Illinois Fund under
6 this clause (b) shall be payable only until such time as the
7 aggregate amount on deposit under each trust indenture
8 securing Bonds issued and outstanding pursuant to the Build
9 Illinois Bond Act is sufficient, taking into account any
10 future investment income, to fully provide, in accordance with
11 such indenture, for the defeasance of or the payment of the
12 principal of, premium, if any, and interest on the Bonds
13 secured by such indenture and on any Bonds expected to be
14 issued thereafter and all fees and costs payable with respect
15 thereto, all as certified by the Director of the Bureau of the
16 Budget (now Governor's Office of Management and Budget). If on
17 the last business day of any month in which Bonds are
18 outstanding pursuant to the Build Illinois Bond Act, the
19 aggregate of the moneys deposited in the Build Illinois Bond
20 Account in the Build Illinois Fund in such month shall be less
21 than the amount required to be transferred in such month from
22 the Build Illinois Bond Account to the Build Illinois Bond
23 Retirement and Interest Fund pursuant to Section 13 of the
24 Build Illinois Bond Act, an amount equal to such deficiency
25 shall be immediately paid from other moneys received by the
26 Department pursuant to the Tax Acts to the Build Illinois

1 Fund; provided, however, that any amounts paid to the Build
2 Illinois Fund in any fiscal year pursuant to this sentence
3 shall be deemed to constitute payments pursuant to clause (b)
4 of the preceding sentence and shall reduce the amount
5 otherwise payable for such fiscal year pursuant to clause (b)
6 of the preceding sentence. The moneys received by the
7 Department pursuant to this Act and required to be deposited
8 into the Build Illinois Fund are subject to the pledge, claim
9 and charge set forth in Section 12 of the Build Illinois Bond
10 Act.

11 Subject to payment of amounts into the Build Illinois Fund
12 as provided in the preceding paragraph or in any amendment
13 thereto hereafter enacted, the following specified monthly
14 installment of the amount requested in the certificate of the
15 Chairman of the Metropolitan Pier and Exposition Authority
16 provided under Section 8.25f of the State Finance Act, but not
17 in excess of the sums designated as "Total Deposit", shall be
18 deposited in the aggregate from collections under Section 9 of
19 the Use Tax Act, Section 9 of the Service Use Tax Act, Section
20 9 of the Service Occupation Tax Act, and Section 3 of the
21 Retailers' Occupation Tax Act into the McCormick Place
22 Expansion Project Fund in the specified fiscal years.

Fiscal Year	Total Deposit
1993	\$0
1994	53,000,000
1995	58,000,000

1	1996	61,000,000
2	1997	64,000,000
3	1998	68,000,000
4	1999	71,000,000
5	2000	75,000,000
6	2001	80,000,000
7	2002	93,000,000
8	2003	99,000,000
9	2004	103,000,000
10	2005	108,000,000
11	2006	113,000,000
12	2007	119,000,000
13	2008	126,000,000
14	2009	132,000,000
15	2010	139,000,000
16	2011	146,000,000
17	2012	153,000,000
18	2013	161,000,000
19	2014	170,000,000
20	2015	179,000,000
21	2016	189,000,000
22	2017	199,000,000
23	2018	210,000,000
24	2019	221,000,000
25	2020	233,000,000
26	2021	300,000,000

1	2022	300,000,000
2	2023	300,000,000
3	2024	300,000,000
4	2025	300,000,000
5	2026	300,000,000
6	2027	375,000,000
7	2028	375,000,000
8	2029	375,000,000
9	2030	375,000,000
10	2031	375,000,000
11	2032	375,000,000
12	2033	375,000,000
13	2034	375,000,000
14	2035	375,000,000
15	2036	450,000,000

16 and

17 each fiscal year
18 thereafter that bonds
19 are outstanding under
20 Section 13.2 of the
21 Metropolitan Pier and
22 Exposition Authority Act,
23 but not after fiscal year 2060.

24 Beginning July 20, 1993 and in each month of each fiscal
25 year thereafter, one-eighth of the amount requested in the
26 certificate of the Chairman of the Metropolitan Pier and

1 Exposition Authority for that fiscal year, less the amount
2 deposited into the McCormick Place Expansion Project Fund by
3 the State Treasurer in the respective month under subsection
4 (g) of Section 13 of the Metropolitan Pier and Exposition
5 Authority Act, plus cumulative deficiencies in the deposits
6 required under this Section for previous months and years,
7 shall be deposited into the McCormick Place Expansion Project
8 Fund, until the full amount requested for the fiscal year, but
9 not in excess of the amount specified above as "Total
10 Deposit", has been deposited.

11 Subject to payment of amounts into the Capital Projects
12 Fund, the Clean Air Act Permit Fund, the Build Illinois Fund,
13 and the McCormick Place Expansion Project Fund pursuant to the
14 preceding paragraphs or in any amendments thereto hereafter
15 enacted, for aviation fuel sold on or after December 1, 2019,
16 the Department shall each month deposit into the Aviation Fuel
17 Sales Tax Refund Fund an amount estimated by the Department to
18 be required for refunds of the 80% portion of the tax on
19 aviation fuel under this Act. The Department shall only
20 deposit moneys into the Aviation Fuel Sales Tax Refund Fund
21 under this paragraph for so long as the revenue use
22 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
23 binding on the State.

24 Subject to payment of amounts into the Build Illinois Fund
25 and the McCormick Place Expansion Project Fund pursuant to the
26 preceding paragraphs or in any amendments thereto hereafter

1 enacted, beginning July 1, 1993 and ending on September 30,
2 2013, the Department shall each month pay into the Illinois
3 Tax Increment Fund 0.27% of 80% of the net revenue realized for
4 the preceding month from the 6.25% general rate on the selling
5 price of tangible personal property.

6 Subject to payment of amounts into the Build Illinois Fund
7 and the McCormick Place Expansion Project Fund pursuant to the
8 preceding paragraphs or in any amendments thereto hereafter
9 enacted, beginning with the receipt of the first report of
10 taxes paid by an eligible business and continuing for a
11 25-year period, the Department shall each month pay into the
12 Energy Infrastructure Fund 80% of the net revenue realized
13 from the 6.25% general rate on the selling price of
14 Illinois-mined coal that was sold to an eligible business. For
15 purposes of this paragraph, the term "eligible business" means
16 a new electric generating facility certified pursuant to
17 Section 605-332 of the Department of Commerce and Economic
18 Opportunity Law of the Civil Administrative Code of Illinois.

19 Subject to payment of amounts into the Build Illinois
20 Fund, the McCormick Place Expansion Project Fund, the Illinois
21 Tax Increment Fund, and the Energy Infrastructure Fund
22 pursuant to the preceding paragraphs or in any amendments to
23 this Section hereafter enacted, beginning on the first day of
24 the first calendar month to occur on or after August 26, 2014
25 (the effective date of Public Act 98-1098), each month, from
26 the collections made under Section 9 of the Use Tax Act,

1 Section 9 of the Service Use Tax Act, Section 9 of the Service
2 Occupation Tax Act, and Section 3 of the Retailers' Occupation
3 Tax Act, the Department shall pay into the Tax Compliance and
4 Administration Fund, to be used, subject to appropriation, to
5 fund additional auditors and compliance personnel at the
6 Department of Revenue, an amount equal to 1/12 of 5% of 80% of
7 the cash receipts collected during the preceding fiscal year
8 by the Audit Bureau of the Department under the Use Tax Act,
9 the Service Use Tax Act, the Service Occupation Tax Act, the
10 Retailers' Occupation Tax Act, and associated local occupation
11 and use taxes administered by the Department.

12 Subject to payments of amounts into the Build Illinois
13 Fund, the McCormick Place Expansion Project Fund, the Illinois
14 Tax Increment Fund, the Energy Infrastructure Fund, and the
15 Tax Compliance and Administration Fund as provided in this
16 Section, beginning on July 1, 2018 the Department shall pay
17 each month into the Downstate Public Transportation Fund the
18 moneys required to be so paid under Section 2-3 of the
19 Downstate Public Transportation Act.

20 Subject to successful execution and delivery of a
21 public-private agreement between the public agency and private
22 entity and completion of the civic build, beginning on July 1,
23 2023, of the remainder of the moneys received by the
24 Department under the Use Tax Act, the Service Use Tax Act, the
25 Service Occupation Tax Act, and this Act, the Department shall
26 deposit the following specified deposits in the aggregate from

1 collections under the Use Tax Act, the Service Use Tax Act, the
 2 Service Occupation Tax Act, and the Retailers' Occupation Tax
 3 Act, as required under Section 8.25g of the State Finance Act
 4 for distribution consistent with the Public-Private
 5 Partnership for Civic and Transit Infrastructure Project Act.
 6 The moneys received by the Department pursuant to this Act and
 7 required to be deposited into the Civic and Transit
 8 Infrastructure Fund are subject to the pledge, claim, and
 9 charge set forth in Section 25-55 of the Public-Private
 10 Partnership for Civic and Transit Infrastructure Project Act.
 11 As used in this paragraph, "civic build", "private entity",
 12 "public-private agreement", and "public agency" have the
 13 meanings provided in Section 25-10 of the Public-Private
 14 Partnership for Civic and Transit Infrastructure Project Act.

15	Fiscal Year.....	Total Deposit
16	2024	\$200,000,000
17	2025	\$206,000,000
18	2026	\$212,200,000
19	2027	\$218,500,000
20	2028	\$225,100,000
21	2029	\$288,700,000
22	2030	\$298,900,000
23	2031	\$309,300,000
24	2032	\$320,100,000
25	2033	\$331,200,000
26	2034	\$341,200,000

1	2035	\$351,400,000
2	2036	\$361,900,000
3	2037	\$372,800,000
4	2038	\$384,000,000
5	2039	\$395,500,000
6	2040	\$407,400,000
7	2041	\$419,600,000
8	2042	\$432,200,000
9	2043	\$445,100,000

10 Beginning July 1, 2021 and until July 1, 2022, subject to
11 the payment of amounts into the State and Local Sales Tax
12 Reform Fund, the Build Illinois Fund, the McCormick Place
13 Expansion Project Fund, the Illinois Tax Increment Fund, the
14 Energy Infrastructure Fund, and the Tax Compliance and
15 Administration Fund as provided in this Section, the
16 Department shall pay each month into the Road Fund the amount
17 estimated to represent 16% of the net revenue realized from
18 the taxes imposed on motor fuel and gasohol. Beginning July 1,
19 2022 and until July 1, 2023, subject to the payment of amounts
20 into the State and Local Sales Tax Reform Fund, the Build
21 Illinois Fund, the McCormick Place Expansion Project Fund, the
22 Illinois Tax Increment Fund, the Energy Infrastructure Fund,
23 and the Tax Compliance and Administration Fund as provided in
24 this Section, the Department shall pay each month into the
25 Road Fund the amount estimated to represent 32% of the net
26 revenue realized from the taxes imposed on motor fuel and

1 gasohol. Beginning July 1, 2023 and until July 1, 2024,
2 subject to the payment of amounts into the State and Local
3 Sales Tax Reform Fund, the Build Illinois Fund, the McCormick
4 Place Expansion Project Fund, the Illinois Tax Increment Fund,
5 the Energy Infrastructure Fund, and the Tax Compliance and
6 Administration Fund as provided in this Section, the
7 Department shall pay each month into the Road Fund the amount
8 estimated to represent 48% of the net revenue realized from
9 the taxes imposed on motor fuel and gasohol. Beginning July 1,
10 2024 and until July 1, 2025, subject to the payment of amounts
11 into the State and Local Sales Tax Reform Fund, the Build
12 Illinois Fund, the McCormick Place Expansion Project Fund, the
13 Illinois Tax Increment Fund, the Energy Infrastructure Fund,
14 and the Tax Compliance and Administration Fund as provided in
15 this Section, the Department shall pay each month into the
16 Road Fund the amount estimated to represent 64% of the net
17 revenue realized from the taxes imposed on motor fuel and
18 gasohol. Beginning on July 1, 2025, subject to the payment of
19 amounts into the State and Local Sales Tax Reform Fund, the
20 Build Illinois Fund, the McCormick Place Expansion Project
21 Fund, the Illinois Tax Increment Fund, the Energy
22 Infrastructure Fund, and the Tax Compliance and Administration
23 Fund as provided in this Section, the Department shall pay
24 each month into the Road Fund the amount estimated to
25 represent 80% of the net revenue realized from the taxes
26 imposed on motor fuel and gasohol. As used in this paragraph

1 "motor fuel" has the meaning given to that term in Section 1.1
2 of the Motor Fuel Tax Law Act, and "gasohol" has the meaning
3 given to that term in Section 3-40 of this Act.

4 Of the remainder of the moneys received by the Department
5 pursuant to this Act, 75% thereof shall be paid into the State
6 Treasury and 25% shall be reserved in a special account and
7 used only for the transfer to the Common School Fund as part of
8 the monthly transfer from the General Revenue Fund in
9 accordance with Section 8a of the State Finance Act.

10 As soon as possible after the first day of each month, upon
11 certification of the Department of Revenue, the Comptroller
12 shall order transferred and the Treasurer shall transfer from
13 the General Revenue Fund to the Motor Fuel Tax Fund an amount
14 equal to 1.7% of 80% of the net revenue realized under this Act
15 for the second preceding month. Beginning April 1, 2000, this
16 transfer is no longer required and shall not be made.

17 Net revenue realized for a month shall be the revenue
18 collected by the State pursuant to this Act, less the amount
19 paid out during that month as refunds to taxpayers for
20 overpayment of liability.

21 For greater simplicity of administration, manufacturers,
22 importers and wholesalers whose products are sold at retail in
23 Illinois by numerous retailers, and who wish to do so, may
24 assume the responsibility for accounting and paying to the
25 Department all tax accruing under this Act with respect to
26 such sales, if the retailers who are affected do not make

1 written objection to the Department to this arrangement.

2 (Source: P.A. 100-303, eff. 8-24-17; 100-363, eff. 7-1-18;
3 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; 101-10, Article
4 15, Section 15-10, eff. 6-5-19; 101-10, Article 25, Section
5 25-105, eff. 6-5-19; 101-27, eff. 6-25-19; 101-32, eff.
6 6-28-19; 101-604, eff. 12-13-19; 101-636, eff. 6-10-20.)

7 Section 60-20. The Service Use Tax Act is amended by
8 changing Sections 3-10 and 9 as follows:

9 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

10 Sec. 3-10. Rate of tax. Unless otherwise provided in this
11 Section, the tax imposed by this Act is at the rate of 6.25% of
12 the selling price of tangible personal property transferred as
13 an incident to the sale of service, but, for the purpose of
14 computing this tax, in no event shall the selling price be less
15 than the cost price of the property to the serviceman.

16 Beginning on July 1, 2000 and through December 31, 2000,
17 with respect to motor fuel, as defined in Section 1.1 of the
18 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of
19 the Use Tax Act, the tax is imposed at the rate of 1.25%.

20 With respect to gasohol, as defined in the Use Tax Act, the
21 tax imposed by this Act applies to (i) 70% of the selling price
22 of property transferred as an incident to the sale of service
23 on or after January 1, 1990, and before July 1, 2003, (ii) 80%
24 of the selling price of property transferred as an incident to

1 the sale of service on or after July 1, 2003 and on or before
2 July 1, 2017, and (iii) 100% of the selling price thereafter.
3 If, at any time, however, the tax under this Act on sales of
4 gasohol, as defined in the Use Tax Act, is imposed at the rate
5 of 1.25%, then the tax imposed by this Act applies to 100% of
6 the proceeds of sales of gasohol made during that time.

7 With respect to majority blended ethanol fuel, as defined
8 in the Use Tax Act, the tax imposed by this Act does not apply
9 to the selling price of property transferred as an incident to
10 the sale of service on or after July 1, 2003 and on or before
11 December 31, 2023 but applies to 100% of the selling price
12 thereafter.

13 With respect to biodiesel blends, as defined in the Use
14 Tax Act, with no less than 1% and no more than 10% biodiesel,
15 the tax imposed by this Act applies to (i) 80% of the selling
16 price of property transferred as an incident to the sale of
17 service on or after July 1, 2003 and on or before December 31,
18 2018 and (ii) 100% of the proceeds of the selling price
19 thereafter. If, at any time, however, the tax under this Act on
20 sales of biodiesel blends, as defined in the Use Tax Act, with
21 no less than 1% and no more than 10% biodiesel is imposed at
22 the rate of 1.25%, then the tax imposed by this Act applies to
23 100% of the proceeds of sales of biodiesel blends with no less
24 than 1% and no more than 10% biodiesel made during that time.

25 With respect to 100% biodiesel, as defined in the Use Tax
26 Act, and biodiesel blends, as defined in the Use Tax Act, with

1 more than 10% but no more than 99% biodiesel, the tax imposed
2 by this Act does not apply to the proceeds of the selling price
3 of property transferred as an incident to the sale of service
4 on or after July 1, 2003 and on or before December 31, 2023 but
5 applies to 100% of the selling price thereafter.

6 At the election of any registered serviceman made for each
7 fiscal year, sales of service in which the aggregate annual
8 cost price of tangible personal property transferred as an
9 incident to the sales of service is less than 35%, or 75% in
10 the case of servicemen transferring prescription drugs or
11 servicemen engaged in graphic arts production, of the
12 aggregate annual total gross receipts from all sales of
13 service, the tax imposed by this Act shall be based on the
14 serviceman's cost price of the tangible personal property
15 transferred as an incident to the sale of those services.

16 Until July 1, 2022 and beginning again on July 1, 2023, the
17 ~~The~~ tax shall be imposed at the rate of 1% on food prepared for
18 immediate consumption and transferred incident to a sale of
19 service subject to this Act or the Service Occupation Tax Act
20 by an entity licensed under the Hospital Licensing Act, the
21 Nursing Home Care Act, the Assisted Living and Shared Housing
22 Act, the ID/DD Community Care Act, the MC/DD Act, the
23 Specialized Mental Health Rehabilitation Act of 2013, or the
24 Child Care Act of 1969, or an entity that holds a permit issued
25 pursuant to the Life Care Facilities Act. Until July 1, 2022
26 and beginning again on July 1, 2023, the ~~The~~ tax shall also be

1 imposed at the rate of 1% on food for human consumption that is
2 to be consumed off the premises where it is sold (other than
3 alcoholic beverages, food consisting of or infused with adult
4 use cannabis, soft drinks, and food that has been prepared for
5 immediate consumption and is not otherwise included in this
6 paragraph).

7 Beginning on July 1, 2022 and until July 1, 2023, the tax
8 shall be imposed at the rate of 0% on food prepared for
9 immediate consumption and transferred incident to a sale of
10 service subject to this Act or the Service Occupation Tax Act
11 by an entity licensed under the Hospital Licensing Act, the
12 Nursing Home Care Act, the Assisted Living and Shared Housing
13 Act, the ID/DD Community Care Act, the MC/DD Act, the
14 Specialized Mental Health Rehabilitation Act of 2013, or the
15 Child Care Act of 1969, or an entity that holds a permit issued
16 pursuant to the Life Care Facilities Act. Beginning on July 1,
17 2022 and until July 1, 2023, the tax shall also be imposed at
18 the rate of 0% on food for human consumption that is to be
19 consumed off the premises where it is sold (other than
20 alcoholic beverages, food consisting of or infused with adult
21 use cannabis, soft drinks, and food that has been prepared for
22 immediate consumption and is not otherwise included in this
23 paragraph).

24 The tax shall also be imposed at the rate of 1% on ~~and~~
25 prescription and nonprescription medicines, drugs, medical
26 appliances, products classified as Class III medical devices

1 by the United States Food and Drug Administration that are
2 used for cancer treatment pursuant to a prescription, as well
3 as any accessories and components related to those devices,
4 modifications to a motor vehicle for the purpose of rendering
5 it usable by a person with a disability, and insulin, blood
6 sugar testing materials, syringes, and needles used by human
7 diabetics. For the purposes of this Section, until September
8 1, 2009: the term "soft drinks" means any complete, finished,
9 ready-to-use, non-alcoholic drink, whether carbonated or not,
10 including but not limited to soda water, cola, fruit juice,
11 vegetable juice, carbonated water, and all other preparations
12 commonly known as soft drinks of whatever kind or description
13 that are contained in any closed or sealed bottle, can,
14 carton, or container, regardless of size; but "soft drinks"
15 does not include coffee, tea, non-carbonated water, infant
16 formula, milk or milk products as defined in the Grade A
17 Pasteurized Milk and Milk Products Act, or drinks containing
18 50% or more natural fruit or vegetable juice.

19 Notwithstanding any other provisions of this Act,
20 beginning September 1, 2009, "soft drinks" means non-alcoholic
21 beverages that contain natural or artificial sweeteners. "Soft
22 drinks" do not include beverages that contain milk or milk
23 products, soy, rice or similar milk substitutes, or greater
24 than 50% of vegetable or fruit juice by volume.

25 Until August 1, 2009, and notwithstanding any other
26 provisions of this Act, "food for human consumption that is to

1 be consumed off the premises where it is sold" includes all
2 food sold through a vending machine, except soft drinks and
3 food products that are dispensed hot from a vending machine,
4 regardless of the location of the vending machine. Beginning
5 August 1, 2009, and notwithstanding any other provisions of
6 this Act, "food for human consumption that is to be consumed
7 off the premises where it is sold" includes all food sold
8 through a vending machine, except soft drinks, candy, and food
9 products that are dispensed hot from a vending machine,
10 regardless of the location of the vending machine.

11 Notwithstanding any other provisions of this Act,
12 beginning September 1, 2009, "food for human consumption that
13 is to be consumed off the premises where it is sold" does not
14 include candy. For purposes of this Section, "candy" means a
15 preparation of sugar, honey, or other natural or artificial
16 sweeteners in combination with chocolate, fruits, nuts or
17 other ingredients or flavorings in the form of bars, drops, or
18 pieces. "Candy" does not include any preparation that contains
19 flour or requires refrigeration.

20 Notwithstanding any other provisions of this Act,
21 beginning September 1, 2009, "nonprescription medicines and
22 drugs" does not include grooming and hygiene products. For
23 purposes of this Section, "grooming and hygiene products"
24 includes, but is not limited to, soaps and cleaning solutions,
25 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan
26 lotions and screens, unless those products are available by

1 prescription only, regardless of whether the products meet the
2 definition of "over-the-counter-drugs". For the purposes of
3 this paragraph, "over-the-counter-drug" means a drug for human
4 use that contains a label that identifies the product as a drug
5 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"
6 label includes:

7 (A) A "Drug Facts" panel; or

8 (B) A statement of the "active ingredient(s)" with a
9 list of those ingredients contained in the compound,
10 substance or preparation.

11 Beginning on January 1, 2014 (the effective date of Public
12 Act 98-122), "prescription and nonprescription medicines and
13 drugs" includes medical cannabis purchased from a registered
14 dispensing organization under the Compassionate Use of Medical
15 Cannabis Program Act.

16 As used in this Section, "adult use cannabis" means
17 cannabis subject to tax under the Cannabis Cultivation
18 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law
19 and does not include cannabis subject to tax under the
20 Compassionate Use of Medical Cannabis Program Act.

21 If the property that is acquired from a serviceman is
22 acquired outside Illinois and used outside Illinois before
23 being brought to Illinois for use here and is taxable under
24 this Act, the "selling price" on which the tax is computed
25 shall be reduced by an amount that represents a reasonable
26 allowance for depreciation for the period of prior

1 out-of-state use.

2 (Source: P.A. 101-363, eff. 8-9-19; 101-593, eff. 12-4-19;
3 102-4, eff. 4-27-21; 102-16, eff. 6-17-21.)

4 (35 ILCS 110/9) (from Ch. 120, par. 439.39)

5 Sec. 9. Each serviceman required or authorized to collect
6 the tax herein imposed shall pay to the Department the amount
7 of such tax (except as otherwise provided) at the time when he
8 is required to file his return for the period during which such
9 tax was collected, less a discount of 2.1% prior to January 1,
10 1990 and 1.75% on and after January 1, 1990, or \$5 per calendar
11 year, whichever is greater, which is allowed to reimburse the
12 serviceman for expenses incurred in collecting the tax,
13 keeping records, preparing and filing returns, remitting the
14 tax and supplying data to the Department on request. When
15 determining the discount allowed under this Section,
16 servicemen shall include the amount of tax that would have
17 been due at the 1% rate but for the 0% rate imposed under this
18 amendatory Act of the 102nd General Assembly. The discount
19 under this Section is not allowed for the 1.25% portion of
20 taxes paid on aviation fuel that is subject to the revenue use
21 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133. The
22 discount allowed under this Section is allowed only for
23 returns that are filed in the manner required by this Act. The
24 Department may disallow the discount for servicemen whose
25 certificate of registration is revoked at the time the return

1 is filed, but only if the Department's decision to revoke the
2 certificate of registration has become final. A serviceman
3 need not remit that part of any tax collected by him to the
4 extent that he is required to pay and does pay the tax imposed
5 by the Service Occupation Tax Act with respect to his sale of
6 service involving the incidental transfer by him of the same
7 property.

8 Except as provided hereinafter in this Section, on or
9 before the twentieth day of each calendar month, such
10 serviceman shall file a return for the preceding calendar
11 month in accordance with reasonable Rules and Regulations to
12 be promulgated by the Department. Such return shall be filed
13 on a form prescribed by the Department and shall contain such
14 information as the Department may reasonably require. The
15 return shall include the gross receipts which were received
16 during the preceding calendar month or quarter on the
17 following items upon which tax would have been due but for the
18 0% rate imposed under this amendatory Act of the 102nd General
19 Assembly: (i) food for human consumption that is to be
20 consumed off the premises where it is sold (other than
21 alcoholic beverages, food consisting of or infused with adult
22 use cannabis, soft drinks, and food that has been prepared for
23 immediate consumption); and (ii) food prepared for immediate
24 consumption and transferred incident to a sale of service
25 subject to this Act or the Service Occupation Tax Act by an
26 entity licensed under the Hospital Licensing Act, the Nursing

1 Home Care Act, the Assisted Living and Shared Housing Act, the
2 ID/DD Community Care Act, the MC/DD Act, the Specialized
3 Mental Health Rehabilitation Act of 2013, or the Child Care
4 Act of 1969, or an entity that holds a permit issued pursuant
5 to the Life Care Facilities Act. The return shall also include
6 the amount of tax that would have been due on the items listed
7 in the previous sentence but for the 0% rate imposed under this
8 amendatory Act of the 102nd General Assembly.

9 On and after January 1, 2018, with respect to servicemen
10 whose annual gross receipts average \$20,000 or more, all
11 returns required to be filed pursuant to this Act shall be
12 filed electronically. Servicemen who demonstrate that they do
13 not have access to the Internet or demonstrate hardship in
14 filing electronically may petition the Department to waive the
15 electronic filing requirement.

16 The Department may require returns to be filed on a
17 quarterly basis. If so required, a return for each calendar
18 quarter shall be filed on or before the twentieth day of the
19 calendar month following the end of such calendar quarter. The
20 taxpayer shall also file a return with the Department for each
21 of the first two months of each calendar quarter, on or before
22 the twentieth day of the following calendar month, stating:

- 23 1. The name of the seller;
- 24 2. The address of the principal place of business from
25 which he engages in business as a serviceman in this
26 State;

1 3. The total amount of taxable receipts received by
2 him during the preceding calendar month, including
3 receipts from charge and time sales, but less all
4 deductions allowed by law;

5 4. The amount of credit provided in Section 2d of this
6 Act;

7 5. The amount of tax due;

8 5-5. The signature of the taxpayer; and

9 6. Such other reasonable information as the Department
10 may require.

11 Each serviceman required or authorized to collect the tax
12 imposed by this Act on aviation fuel transferred as an
13 incident of a sale of service in this State during the
14 preceding calendar month shall, instead of reporting and
15 paying tax on aviation fuel as otherwise required by this
16 Section, report and pay such tax on a separate aviation fuel
17 tax return. The requirements related to the return shall be as
18 otherwise provided in this Section. Notwithstanding any other
19 provisions of this Act to the contrary, servicemen collecting
20 tax on aviation fuel shall file all aviation fuel tax returns
21 and shall make all aviation fuel tax payments by electronic
22 means in the manner and form required by the Department. For
23 purposes of this Section, "aviation fuel" means jet fuel and
24 aviation gasoline.

25 If a taxpayer fails to sign a return within 30 days after
26 the proper notice and demand for signature by the Department,

1 the return shall be considered valid and any amount shown to be
2 due on the return shall be deemed assessed.

3 Notwithstanding any other provision of this Act to the
4 contrary, servicemen subject to tax on cannabis shall file all
5 cannabis tax returns and shall make all cannabis tax payments
6 by electronic means in the manner and form required by the
7 Department.

8 Beginning October 1, 1993, a taxpayer who has an average
9 monthly tax liability of \$150,000 or more shall make all
10 payments required by rules of the Department by electronic
11 funds transfer. Beginning October 1, 1994, a taxpayer who has
12 an average monthly tax liability of \$100,000 or more shall
13 make all payments required by rules of the Department by
14 electronic funds transfer. Beginning October 1, 1995, a
15 taxpayer who has an average monthly tax liability of \$50,000
16 or more shall make all payments required by rules of the
17 Department by electronic funds transfer. Beginning October 1,
18 2000, a taxpayer who has an annual tax liability of \$200,000 or
19 more shall make all payments required by rules of the
20 Department by electronic funds transfer. The term "annual tax
21 liability" shall be the sum of the taxpayer's liabilities
22 under this Act, and under all other State and local occupation
23 and use tax laws administered by the Department, for the
24 immediately preceding calendar year. The term "average monthly
25 tax liability" means the sum of the taxpayer's liabilities
26 under this Act, and under all other State and local occupation

1 and use tax laws administered by the Department, for the
2 immediately preceding calendar year divided by 12. Beginning
3 on October 1, 2002, a taxpayer who has a tax liability in the
4 amount set forth in subsection (b) of Section 2505-210 of the
5 Department of Revenue Law shall make all payments required by
6 rules of the Department by electronic funds transfer.

7 Before August 1 of each year beginning in 1993, the
8 Department shall notify all taxpayers required to make
9 payments by electronic funds transfer. All taxpayers required
10 to make payments by electronic funds transfer shall make those
11 payments for a minimum of one year beginning on October 1.

12 Any taxpayer not required to make payments by electronic
13 funds transfer may make payments by electronic funds transfer
14 with the permission of the Department.

15 All taxpayers required to make payment by electronic funds
16 transfer and any taxpayers authorized to voluntarily make
17 payments by electronic funds transfer shall make those
18 payments in the manner authorized by the Department.

19 The Department shall adopt such rules as are necessary to
20 effectuate a program of electronic funds transfer and the
21 requirements of this Section.

22 If the serviceman is otherwise required to file a monthly
23 return and if the serviceman's average monthly tax liability
24 to the Department does not exceed \$200, the Department may
25 authorize his returns to be filed on a quarter annual basis,
26 with the return for January, February and March of a given year

1 being due by April 20 of such year; with the return for April,
2 May and June of a given year being due by July 20 of such year;
3 with the return for July, August and September of a given year
4 being due by October 20 of such year, and with the return for
5 October, November and December of a given year being due by
6 January 20 of the following year.

7 If the serviceman is otherwise required to file a monthly
8 or quarterly return and if the serviceman's average monthly
9 tax liability to the Department does not exceed \$50, the
10 Department may authorize his returns to be filed on an annual
11 basis, with the return for a given year being due by January 20
12 of the following year.

13 Such quarter annual and annual returns, as to form and
14 substance, shall be subject to the same requirements as
15 monthly returns.

16 Notwithstanding any other provision in this Act concerning
17 the time within which a serviceman may file his return, in the
18 case of any serviceman who ceases to engage in a kind of
19 business which makes him responsible for filing returns under
20 this Act, such serviceman shall file a final return under this
21 Act with the Department not more than 1 month after
22 discontinuing such business.

23 Where a serviceman collects the tax with respect to the
24 selling price of property which he sells and the purchaser
25 thereafter returns such property and the serviceman refunds
26 the selling price thereof to the purchaser, such serviceman

1 shall also refund, to the purchaser, the tax so collected from
2 the purchaser. When filing his return for the period in which
3 he refunds such tax to the purchaser, the serviceman may
4 deduct the amount of the tax so refunded by him to the
5 purchaser from any other Service Use Tax, Service Occupation
6 Tax, retailers' occupation tax or use tax which such
7 serviceman may be required to pay or remit to the Department,
8 as shown by such return, provided that the amount of the tax to
9 be deducted shall previously have been remitted to the
10 Department by such serviceman. If the serviceman shall not
11 previously have remitted the amount of such tax to the
12 Department, he shall be entitled to no deduction hereunder
13 upon refunding such tax to the purchaser.

14 Any serviceman filing a return hereunder shall also
15 include the total tax upon the selling price of tangible
16 personal property purchased for use by him as an incident to a
17 sale of service, and such serviceman shall remit the amount of
18 such tax to the Department when filing such return.

19 If experience indicates such action to be practicable, the
20 Department may prescribe and furnish a combination or joint
21 return which will enable servicemen, who are required to file
22 returns hereunder and also under the Service Occupation Tax
23 Act, to furnish all the return information required by both
24 Acts on the one form.

25 Where the serviceman has more than one business registered
26 with the Department under separate registration hereunder,

1 such serviceman shall not file each return that is due as a
2 single return covering all such registered businesses, but
3 shall file separate returns for each such registered business.

4 Beginning January 1, 1990, each month the Department shall
5 pay into the State and Local Tax Reform Fund, a special fund in
6 the State Treasury, the net revenue realized for the preceding
7 month from the 1% tax imposed under this Act.

8 Beginning January 1, 1990, each month the Department shall
9 pay into the State and Local Sales Tax Reform Fund 20% of the
10 net revenue realized for the preceding month from the 6.25%
11 general rate on transfers of tangible personal property, other
12 than (i) tangible personal property which is purchased outside
13 Illinois at retail from a retailer and which is titled or
14 registered by an agency of this State's government and (ii)
15 aviation fuel sold on or after December 1, 2019. This
16 exception for aviation fuel only applies for so long as the
17 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
18 47133 are binding on the State.

19 For aviation fuel sold on or after December 1, 2019, each
20 month the Department shall pay into the State Aviation Program
21 Fund 20% of the net revenue realized for the preceding month
22 from the 6.25% general rate on the selling price of aviation
23 fuel, less an amount estimated by the Department to be
24 required for refunds of the 20% portion of the tax on aviation
25 fuel under this Act, which amount shall be deposited into the
26 Aviation Fuel Sales Tax Refund Fund. The Department shall only

1 pay moneys into the State Aviation Program Fund and the
2 Aviation Fuel Sales Tax Refund Fund under this Act for so long
3 as the revenue use requirements of 49 U.S.C. 47107(b) and 49
4 U.S.C. 47133 are binding on the State.

5 Beginning August 1, 2000, each month the Department shall
6 pay into the State and Local Sales Tax Reform Fund 100% of the
7 net revenue realized for the preceding month from the 1.25%
8 rate on the selling price of motor fuel and gasohol.

9 Beginning October 1, 2009, each month the Department shall
10 pay into the Capital Projects Fund an amount that is equal to
11 an amount estimated by the Department to represent 80% of the
12 net revenue realized for the preceding month from the sale of
13 candy, grooming and hygiene products, and soft drinks that had
14 been taxed at a rate of 1% prior to September 1, 2009 but that
15 are now taxed at 6.25%.

16 Beginning July 1, 2013, each month the Department shall
17 pay into the Underground Storage Tank Fund from the proceeds
18 collected under this Act, the Use Tax Act, the Service
19 Occupation Tax Act, and the Retailers' Occupation Tax Act an
20 amount equal to the average monthly deficit in the Underground
21 Storage Tank Fund during the prior year, as certified annually
22 by the Illinois Environmental Protection Agency, but the total
23 payment into the Underground Storage Tank Fund under this Act,
24 the Use Tax Act, the Service Occupation Tax Act, and the
25 Retailers' Occupation Tax Act shall not exceed \$18,000,000 in
26 any State fiscal year. As used in this paragraph, the "average

1 monthly deficit" shall be equal to the difference between the
2 average monthly claims for payment by the fund and the average
3 monthly revenues deposited into the fund, excluding payments
4 made pursuant to this paragraph.

5 Beginning July 1, 2015, of the remainder of the moneys
6 received by the Department under the Use Tax Act, this Act, the
7 Service Occupation Tax Act, and the Retailers' Occupation Tax
8 Act, each month the Department shall deposit \$500,000 into the
9 State Crime Laboratory Fund.

10 Of the remainder of the moneys received by the Department
11 pursuant to this Act, (a) 1.75% thereof shall be paid into the
12 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
13 and after July 1, 1989, 3.8% thereof shall be paid into the
14 Build Illinois Fund; provided, however, that if in any fiscal
15 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case
16 may be, of the moneys received by the Department and required
17 to be paid into the Build Illinois Fund pursuant to Section 3
18 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax
19 Act, Section 9 of the Service Use Tax Act, and Section 9 of the
20 Service Occupation Tax Act, such Acts being hereinafter called
21 the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case
22 may be, of moneys being hereinafter called the "Tax Act
23 Amount", and (2) the amount transferred to the Build Illinois
24 Fund from the State and Local Sales Tax Reform Fund shall be
25 less than the Annual Specified Amount (as defined in Section 3
26 of the Retailers' Occupation Tax Act), an amount equal to the

1 difference shall be immediately paid into the Build Illinois
2 Fund from other moneys received by the Department pursuant to
3 the Tax Acts; and further provided, that if on the last
4 business day of any month the sum of (1) the Tax Act Amount
5 required to be deposited into the Build Illinois Bond Account
6 in the Build Illinois Fund during such month and (2) the amount
7 transferred during such month to the Build Illinois Fund from
8 the State and Local Sales Tax Reform Fund shall have been less
9 than 1/12 of the Annual Specified Amount, an amount equal to
10 the difference shall be immediately paid into the Build
11 Illinois Fund from other moneys received by the Department
12 pursuant to the Tax Acts; and, further provided, that in no
13 event shall the payments required under the preceding proviso
14 result in aggregate payments into the Build Illinois Fund
15 pursuant to this clause (b) for any fiscal year in excess of
16 the greater of (i) the Tax Act Amount or (ii) the Annual
17 Specified Amount for such fiscal year; and, further provided,
18 that the amounts payable into the Build Illinois Fund under
19 this clause (b) shall be payable only until such time as the
20 aggregate amount on deposit under each trust indenture
21 securing Bonds issued and outstanding pursuant to the Build
22 Illinois Bond Act is sufficient, taking into account any
23 future investment income, to fully provide, in accordance with
24 such indenture, for the defeasance of or the payment of the
25 principal of, premium, if any, and interest on the Bonds
26 secured by such indenture and on any Bonds expected to be

1 issued thereafter and all fees and costs payable with respect
2 thereto, all as certified by the Director of the Bureau of the
3 Budget (now Governor's Office of Management and Budget). If on
4 the last business day of any month in which Bonds are
5 outstanding pursuant to the Build Illinois Bond Act, the
6 aggregate of the moneys deposited in the Build Illinois Bond
7 Account in the Build Illinois Fund in such month shall be less
8 than the amount required to be transferred in such month from
9 the Build Illinois Bond Account to the Build Illinois Bond
10 Retirement and Interest Fund pursuant to Section 13 of the
11 Build Illinois Bond Act, an amount equal to such deficiency
12 shall be immediately paid from other moneys received by the
13 Department pursuant to the Tax Acts to the Build Illinois
14 Fund; provided, however, that any amounts paid to the Build
15 Illinois Fund in any fiscal year pursuant to this sentence
16 shall be deemed to constitute payments pursuant to clause (b)
17 of the preceding sentence and shall reduce the amount
18 otherwise payable for such fiscal year pursuant to clause (b)
19 of the preceding sentence. The moneys received by the
20 Department pursuant to this Act and required to be deposited
21 into the Build Illinois Fund are subject to the pledge, claim
22 and charge set forth in Section 12 of the Build Illinois Bond
23 Act.

24 Subject to payment of amounts into the Build Illinois Fund
25 as provided in the preceding paragraph or in any amendment
26 thereto hereafter enacted, the following specified monthly

1 installment of the amount requested in the certificate of the
2 Chairman of the Metropolitan Pier and Exposition Authority
3 provided under Section 8.25f of the State Finance Act, but not
4 in excess of the sums designated as "Total Deposit", shall be
5 deposited in the aggregate from collections under Section 9 of
6 the Use Tax Act, Section 9 of the Service Use Tax Act, Section
7 9 of the Service Occupation Tax Act, and Section 3 of the
8 Retailers' Occupation Tax Act into the McCormick Place
9 Expansion Project Fund in the specified fiscal years.

10	Fiscal Year	Total Deposit
11	1993	\$0
12	1994	53,000,000
13	1995	58,000,000
14	1996	61,000,000
15	1997	64,000,000
16	1998	68,000,000
17	1999	71,000,000
18	2000	75,000,000
19	2001	80,000,000
20	2002	93,000,000
21	2003	99,000,000
22	2004	103,000,000
23	2005	108,000,000
24	2006	113,000,000
25	2007	119,000,000

1	2008	126,000,000
2	2009	132,000,000
3	2010	139,000,000
4	2011	146,000,000
5	2012	153,000,000
6	2013	161,000,000
7	2014	170,000,000
8	2015	179,000,000
9	2016	189,000,000
10	2017	199,000,000
11	2018	210,000,000
12	2019	221,000,000
13	2020	233,000,000
14	2021	300,000,000
15	2022	300,000,000
16	2023	300,000,000
17	2024	300,000,000
18	2025	300,000,000
19	2026	300,000,000
20	2027	375,000,000
21	2028	375,000,000
22	2029	375,000,000
23	2030	375,000,000
24	2031	375,000,000
25	2032	375,000,000
26	2033	375,000,000

1	2034	375,000,000
2	2035	375,000,000
3	2036	450,000,000

4 and

5 each fiscal year

6 thereafter that bonds

7 are outstanding under

8 Section 13.2 of the

9 Metropolitan Pier and

10 Exposition Authority Act,

11 but not after fiscal year 2060.

12 Beginning July 20, 1993 and in each month of each fiscal
13 year thereafter, one-eighth of the amount requested in the
14 certificate of the Chairman of the Metropolitan Pier and
15 Exposition Authority for that fiscal year, less the amount
16 deposited into the McCormick Place Expansion Project Fund by
17 the State Treasurer in the respective month under subsection
18 (g) of Section 13 of the Metropolitan Pier and Exposition
19 Authority Act, plus cumulative deficiencies in the deposits
20 required under this Section for previous months and years,
21 shall be deposited into the McCormick Place Expansion Project
22 Fund, until the full amount requested for the fiscal year, but
23 not in excess of the amount specified above as "Total
24 Deposit", has been deposited.

25 Subject to payment of amounts into the Capital Projects
26 Fund, the Clean Air Act Permit Fund, the Build Illinois Fund,

1 and the McCormick Place Expansion Project Fund pursuant to the
2 preceding paragraphs or in any amendments thereto hereafter
3 enacted, for aviation fuel sold on or after December 1, 2019,
4 the Department shall each month deposit into the Aviation Fuel
5 Sales Tax Refund Fund an amount estimated by the Department to
6 be required for refunds of the 80% portion of the tax on
7 aviation fuel under this Act. The Department shall only
8 deposit moneys into the Aviation Fuel Sales Tax Refund Fund
9 under this paragraph for so long as the revenue use
10 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
11 binding on the State.

12 Subject to payment of amounts into the Build Illinois Fund
13 and the McCormick Place Expansion Project Fund pursuant to the
14 preceding paragraphs or in any amendments thereto hereafter
15 enacted, beginning July 1, 1993 and ending on September 30,
16 2013, the Department shall each month pay into the Illinois
17 Tax Increment Fund 0.27% of 80% of the net revenue realized for
18 the preceding month from the 6.25% general rate on the selling
19 price of tangible personal property.

20 Subject to payment of amounts into the Build Illinois Fund
21 and the McCormick Place Expansion Project Fund pursuant to the
22 preceding paragraphs or in any amendments thereto hereafter
23 enacted, beginning with the receipt of the first report of
24 taxes paid by an eligible business and continuing for a
25 25-year period, the Department shall each month pay into the
26 Energy Infrastructure Fund 80% of the net revenue realized

1 from the 6.25% general rate on the selling price of
2 Illinois-mined coal that was sold to an eligible business. For
3 purposes of this paragraph, the term "eligible business" means
4 a new electric generating facility certified pursuant to
5 Section 605-332 of the Department of Commerce and Economic
6 Opportunity Law of the Civil Administrative Code of Illinois.

7 Subject to payment of amounts into the Build Illinois
8 Fund, the McCormick Place Expansion Project Fund, the Illinois
9 Tax Increment Fund, and the Energy Infrastructure Fund
10 pursuant to the preceding paragraphs or in any amendments to
11 this Section hereafter enacted, beginning on the first day of
12 the first calendar month to occur on or after August 26, 2014
13 (the effective date of Public Act 98-1098), each month, from
14 the collections made under Section 9 of the Use Tax Act,
15 Section 9 of the Service Use Tax Act, Section 9 of the Service
16 Occupation Tax Act, and Section 3 of the Retailers' Occupation
17 Tax Act, the Department shall pay into the Tax Compliance and
18 Administration Fund, to be used, subject to appropriation, to
19 fund additional auditors and compliance personnel at the
20 Department of Revenue, an amount equal to 1/12 of 5% of 80% of
21 the cash receipts collected during the preceding fiscal year
22 by the Audit Bureau of the Department under the Use Tax Act,
23 the Service Use Tax Act, the Service Occupation Tax Act, the
24 Retailers' Occupation Tax Act, and associated local occupation
25 and use taxes administered by the Department.

26 Subject to payments of amounts into the Build Illinois

1 Fund, the McCormick Place Expansion Project Fund, the Illinois
2 Tax Increment Fund, the Energy Infrastructure Fund, and the
3 Tax Compliance and Administration Fund as provided in this
4 Section, beginning on July 1, 2018 the Department shall pay
5 each month into the Downstate Public Transportation Fund the
6 moneys required to be so paid under Section 2-3 of the
7 Downstate Public Transportation Act.

8 Subject to successful execution and delivery of a
9 public-private agreement between the public agency and private
10 entity and completion of the civic build, beginning on July 1,
11 2023, of the remainder of the moneys received by the
12 Department under the Use Tax Act, the Service Use Tax Act, the
13 Service Occupation Tax Act, and this Act, the Department shall
14 deposit the following specified deposits in the aggregate from
15 collections under the Use Tax Act, the Service Use Tax Act, the
16 Service Occupation Tax Act, and the Retailers' Occupation Tax
17 Act, as required under Section 8.25g of the State Finance Act
18 for distribution consistent with the Public-Private
19 Partnership for Civic and Transit Infrastructure Project Act.
20 The moneys received by the Department pursuant to this Act and
21 required to be deposited into the Civic and Transit
22 Infrastructure Fund are subject to the pledge, claim, and
23 charge set forth in Section 25-55 of the Public-Private
24 Partnership for Civic and Transit Infrastructure Project Act.
25 As used in this paragraph, "civic build", "private entity",
26 "public-private agreement", and "public agency" have the

1 meanings provided in Section 25-10 of the Public-Private
2 Partnership for Civic and Transit Infrastructure Project Act.

3	Fiscal Year.....	Total Deposit
4	2024	\$200,000,000
5	2025	\$206,000,000
6	2026	\$212,200,000
7	2027	\$218,500,000
8	2028	\$225,100,000
9	2029	\$288,700,000
10	2030	\$298,900,000
11	2031	\$309,300,000
12	2032	\$320,100,000
13	2033	\$331,200,000
14	2034	\$341,200,000
15	2035	\$351,400,000
16	2036	\$361,900,000
17	2037	\$372,800,000
18	2038	\$384,000,000
19	2039	\$395,500,000
20	2040	\$407,400,000
21	2041	\$419,600,000
22	2042	\$432,200,000
23	2043	\$445,100,000

24 Beginning July 1, 2021 and until July 1, 2022, subject to
25 the payment of amounts into the State and Local Sales Tax
26 Reform Fund, the Build Illinois Fund, the McCormick Place

1 Expansion Project Fund, the Illinois Tax Increment Fund, the
2 Energy Infrastructure Fund, and the Tax Compliance and
3 Administration Fund as provided in this Section, the
4 Department shall pay each month into the Road Fund the amount
5 estimated to represent 16% of the net revenue realized from
6 the taxes imposed on motor fuel and gasohol. Beginning July 1,
7 2022 and until July 1, 2023, subject to the payment of amounts
8 into the State and Local Sales Tax Reform Fund, the Build
9 Illinois Fund, the McCormick Place Expansion Project Fund, the
10 Illinois Tax Increment Fund, the Energy Infrastructure Fund,
11 and the Tax Compliance and Administration Fund as provided in
12 this Section, the Department shall pay each month into the
13 Road Fund the amount estimated to represent 32% of the net
14 revenue realized from the taxes imposed on motor fuel and
15 gasohol. Beginning July 1, 2023 and until July 1, 2024,
16 subject to the payment of amounts into the State and Local
17 Sales Tax Reform Fund, the Build Illinois Fund, the McCormick
18 Place Expansion Project Fund, the Illinois Tax Increment Fund,
19 the Energy Infrastructure Fund, and the Tax Compliance and
20 Administration Fund as provided in this Section, the
21 Department shall pay each month into the Road Fund the amount
22 estimated to represent 48% of the net revenue realized from
23 the taxes imposed on motor fuel and gasohol. Beginning July 1,
24 2024 and until July 1, 2025, subject to the payment of amounts
25 into the State and Local Sales Tax Reform Fund, the Build
26 Illinois Fund, the McCormick Place Expansion Project Fund, the

1 Illinois Tax Increment Fund, the Energy Infrastructure Fund,
2 and the Tax Compliance and Administration Fund as provided in
3 this Section, the Department shall pay each month into the
4 Road Fund the amount estimated to represent 64% of the net
5 revenue realized from the taxes imposed on motor fuel and
6 gasohol. Beginning on July 1, 2025, subject to the payment of
7 amounts into the State and Local Sales Tax Reform Fund, the
8 Build Illinois Fund, the McCormick Place Expansion Project
9 Fund, the Illinois Tax Increment Fund, the Energy
10 Infrastructure Fund, and the Tax Compliance and Administration
11 Fund as provided in this Section, the Department shall pay
12 each month into the Road Fund the amount estimated to
13 represent 80% of the net revenue realized from the taxes
14 imposed on motor fuel and gasohol. As used in this paragraph
15 "motor fuel" has the meaning given to that term in Section 1.1
16 of the Motor Fuel Tax ~~Law Act~~, and "gasohol" has the meaning
17 given to that term in Section 3-40 of the Use Tax Act.

18 Of the remainder of the moneys received by the Department
19 pursuant to this Act, 75% thereof shall be paid into the
20 General Revenue Fund of the State Treasury and 25% shall be
21 reserved in a special account and used only for the transfer to
22 the Common School Fund as part of the monthly transfer from the
23 General Revenue Fund in accordance with Section 8a of the
24 State Finance Act.

25 As soon as possible after the first day of each month, upon
26 certification of the Department of Revenue, the Comptroller

1 shall order transferred and the Treasurer shall transfer from
2 the General Revenue Fund to the Motor Fuel Tax Fund an amount
3 equal to 1.7% of 80% of the net revenue realized under this Act
4 for the second preceding month. Beginning April 1, 2000, this
5 transfer is no longer required and shall not be made.

6 Net revenue realized for a month shall be the revenue
7 collected by the State pursuant to this Act, less the amount
8 paid out during that month as refunds to taxpayers for
9 overpayment of liability.

10 (Source: P.A. 100-303, eff. 8-24-17; 100-363, eff. 7-1-18;
11 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; 101-10, Article
12 15, Section 15-15, eff. 6-5-19; 101-10, Article 25, Section
13 25-110, eff. 6-5-19; 101-27, eff. 6-25-19; 101-32, eff.
14 6-28-19; 101-604, eff. 12-13-19; 101-636, eff. 6-10-20.)

15 Section 60-25. The Service Occupation Tax Act is amended
16 by changing Sections 3-10 and 9 as follows:

17 (35 ILCS 115/3-10) (from Ch. 120, par. 439.103-10)

18 Sec. 3-10. Rate of tax. Unless otherwise provided in this
19 Section, the tax imposed by this Act is at the rate of 6.25% of
20 the "selling price", as defined in Section 2 of the Service Use
21 Tax Act, of the tangible personal property. For the purpose of
22 computing this tax, in no event shall the "selling price" be
23 less than the cost price to the serviceman of the tangible
24 personal property transferred. The selling price of each item

1 of tangible personal property transferred as an incident of a
2 sale of service may be shown as a distinct and separate item on
3 the serviceman's billing to the service customer. If the
4 selling price is not so shown, the selling price of the
5 tangible personal property is deemed to be 50% of the
6 serviceman's entire billing to the service customer. When,
7 however, a serviceman contracts to design, develop, and
8 produce special order machinery or equipment, the tax imposed
9 by this Act shall be based on the serviceman's cost price of
10 the tangible personal property transferred incident to the
11 completion of the contract.

12 Beginning on July 1, 2000 and through December 31, 2000,
13 with respect to motor fuel, as defined in Section 1.1 of the
14 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of
15 the Use Tax Act, the tax is imposed at the rate of 1.25%.

16 With respect to gasohol, as defined in the Use Tax Act, the
17 tax imposed by this Act shall apply to (i) 70% of the cost
18 price of property transferred as an incident to the sale of
19 service on or after January 1, 1990, and before July 1, 2003,
20 (ii) 80% of the selling price of property transferred as an
21 incident to the sale of service on or after July 1, 2003 and on
22 or before July 1, 2017, and (iii) 100% of the cost price
23 thereafter. If, at any time, however, the tax under this Act on
24 sales of gasohol, as defined in the Use Tax Act, is imposed at
25 the rate of 1.25%, then the tax imposed by this Act applies to
26 100% of the proceeds of sales of gasohol made during that time.

1 With respect to majority blended ethanol fuel, as defined
2 in the Use Tax Act, the tax imposed by this Act does not apply
3 to the selling price of property transferred as an incident to
4 the sale of service on or after July 1, 2003 and on or before
5 December 31, 2023 but applies to 100% of the selling price
6 thereafter.

7 With respect to biodiesel blends, as defined in the Use
8 Tax Act, with no less than 1% and no more than 10% biodiesel,
9 the tax imposed by this Act applies to (i) 80% of the selling
10 price of property transferred as an incident to the sale of
11 service on or after July 1, 2003 and on or before December 31,
12 2018 and (ii) 100% of the proceeds of the selling price
13 thereafter. If, at any time, however, the tax under this Act on
14 sales of biodiesel blends, as defined in the Use Tax Act, with
15 no less than 1% and no more than 10% biodiesel is imposed at
16 the rate of 1.25%, then the tax imposed by this Act applies to
17 100% of the proceeds of sales of biodiesel blends with no less
18 than 1% and no more than 10% biodiesel made during that time.

19 With respect to 100% biodiesel, as defined in the Use Tax
20 Act, and biodiesel blends, as defined in the Use Tax Act, with
21 more than 10% but no more than 99% biodiesel material, the tax
22 imposed by this Act does not apply to the proceeds of the
23 selling price of property transferred as an incident to the
24 sale of service on or after July 1, 2003 and on or before
25 December 31, 2023 but applies to 100% of the selling price
26 thereafter.

1 At the election of any registered serviceman made for each
2 fiscal year, sales of service in which the aggregate annual
3 cost price of tangible personal property transferred as an
4 incident to the sales of service is less than 35%, or 75% in
5 the case of servicemen transferring prescription drugs or
6 servicemen engaged in graphic arts production, of the
7 aggregate annual total gross receipts from all sales of
8 service, the tax imposed by this Act shall be based on the
9 serviceman's cost price of the tangible personal property
10 transferred incident to the sale of those services.

11 Until July 1, 2022 and beginning again on July 1, 2023, the
12 ~~The~~ tax shall be imposed at the rate of 1% on food prepared for
13 immediate consumption and transferred incident to a sale of
14 service subject to this Act or the Service Use ~~Occupation~~ Tax
15 Act by an entity licensed under the Hospital Licensing Act,
16 the Nursing Home Care Act, the Assisted Living and Shared
17 Housing Act, the ID/DD Community Care Act, the MC/DD Act, the
18 Specialized Mental Health Rehabilitation Act of 2013, or the
19 Child Care Act of 1969, or an entity that holds a permit issued
20 pursuant to the Life Care Facilities Act. Until July 1, 2022
21 and beginning again on July 1, 2023, the ~~The~~ tax shall also be
22 imposed at the rate of 1% on food for human consumption that is
23 to be consumed off the premises where it is sold (other than
24 alcoholic beverages, food consisting of or infused with adult
25 use cannabis, soft drinks, and food that has been prepared for
26 immediate consumption and is not otherwise included in this

1 paragraph).

2 Beginning on July 1, 2022 and until July 1, 2023, the tax
3 shall be imposed at the rate of 0% on food prepared for
4 immediate consumption and transferred incident to a sale of
5 service subject to this Act or the Service Use Tax Act by an
6 entity licensed under the Hospital Licensing Act, the Nursing
7 Home Care Act, the Assisted Living and Shared Housing Act, the
8 ID/DD Community Care Act, the MC/DD Act, the Specialized
9 Mental Health Rehabilitation Act of 2013, or the Child Care
10 Act of 1969, or an entity that holds a permit issued pursuant
11 to the Life Care Facilities Act. Beginning July 1, 2022 and
12 until July 1, 2023, the tax shall also be imposed at the rate
13 of 0% on food for human consumption that is to be consumed off
14 the premises where it is sold (other than alcoholic beverages,
15 food consisting of or infused with adult use cannabis, soft
16 drinks, and food that has been prepared for immediate
17 consumption and is not otherwise included in this paragraph).

18 The tax shall also be imposed at the rate of 1% on ~~and~~
19 prescription and nonprescription medicines, drugs, medical
20 appliances, products classified as Class III medical devices
21 by the United States Food and Drug Administration that are
22 used for cancer treatment pursuant to a prescription, as well
23 as any accessories and components related to those devices,
24 modifications to a motor vehicle for the purpose of rendering
25 it usable by a person with a disability, and insulin, blood
26 sugar testing materials, syringes, and needles used by human

1 diabetics. For the purposes of this Section, until September
2 1, 2009: the term "soft drinks" means any complete, finished,
3 ready-to-use, non-alcoholic drink, whether carbonated or not,
4 including but not limited to soda water, cola, fruit juice,
5 vegetable juice, carbonated water, and all other preparations
6 commonly known as soft drinks of whatever kind or description
7 that are contained in any closed or sealed can, carton, or
8 container, regardless of size; but "soft drinks" does not
9 include coffee, tea, non-carbonated water, infant formula,
10 milk or milk products as defined in the Grade A Pasteurized
11 Milk and Milk Products Act, or drinks containing 50% or more
12 natural fruit or vegetable juice.

13 Notwithstanding any other provisions of this Act,
14 beginning September 1, 2009, "soft drinks" means non-alcoholic
15 beverages that contain natural or artificial sweeteners. "Soft
16 drinks" do not include beverages that contain milk or milk
17 products, soy, rice or similar milk substitutes, or greater
18 than 50% of vegetable or fruit juice by volume.

19 Until August 1, 2009, and notwithstanding any other
20 provisions of this Act, "food for human consumption that is to
21 be consumed off the premises where it is sold" includes all
22 food sold through a vending machine, except soft drinks and
23 food products that are dispensed hot from a vending machine,
24 regardless of the location of the vending machine. Beginning
25 August 1, 2009, and notwithstanding any other provisions of
26 this Act, "food for human consumption that is to be consumed

1 off the premises where it is sold" includes all food sold
2 through a vending machine, except soft drinks, candy, and food
3 products that are dispensed hot from a vending machine,
4 regardless of the location of the vending machine.

5 Notwithstanding any other provisions of this Act,
6 beginning September 1, 2009, "food for human consumption that
7 is to be consumed off the premises where it is sold" does not
8 include candy. For purposes of this Section, "candy" means a
9 preparation of sugar, honey, or other natural or artificial
10 sweeteners in combination with chocolate, fruits, nuts or
11 other ingredients or flavorings in the form of bars, drops, or
12 pieces. "Candy" does not include any preparation that contains
13 flour or requires refrigeration.

14 Notwithstanding any other provisions of this Act,
15 beginning September 1, 2009, "nonprescription medicines and
16 drugs" does not include grooming and hygiene products. For
17 purposes of this Section, "grooming and hygiene products"
18 includes, but is not limited to, soaps and cleaning solutions,
19 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan
20 lotions and screens, unless those products are available by
21 prescription only, regardless of whether the products meet the
22 definition of "over-the-counter-drugs". For the purposes of
23 this paragraph, "over-the-counter-drug" means a drug for human
24 use that contains a label that identifies the product as a drug
25 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"
26 label includes:

1 (A) A "Drug Facts" panel; or

2 (B) A statement of the "active ingredient(s)" with a
3 list of those ingredients contained in the compound,
4 substance or preparation.

5 Beginning on January 1, 2014 (the effective date of Public
6 Act 98-122), "prescription and nonprescription medicines and
7 drugs" includes medical cannabis purchased from a registered
8 dispensing organization under the Compassionate Use of Medical
9 Cannabis Program Act.

10 As used in this Section, "adult use cannabis" means
11 cannabis subject to tax under the Cannabis Cultivation
12 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law
13 and does not include cannabis subject to tax under the
14 Compassionate Use of Medical Cannabis Program Act.

15 (Source: P.A. 101-363, eff. 8-9-19; 101-593, eff. 12-4-19;
16 102-4, eff. 4-27-21; 102-16, eff. 6-17-21.)

17 (35 ILCS 115/9) (from Ch. 120, par. 439.109)

18 Sec. 9. Each serviceman required or authorized to collect
19 the tax herein imposed shall pay to the Department the amount
20 of such tax at the time when he is required to file his return
21 for the period during which such tax was collectible, less a
22 discount of 2.1% prior to January 1, 1990, and 1.75% on and
23 after January 1, 1990, or \$5 per calendar year, whichever is
24 greater, which is allowed to reimburse the serviceman for
25 expenses incurred in collecting the tax, keeping records,

1 preparing and filing returns, remitting the tax and supplying
2 data to the Department on request. When determining the
3 discount allowed under this Section, servicemen shall include
4 the amount of tax that would have been due at the 1% rate but
5 for the 0% rate imposed under this amendatory Act of the 102nd
6 General Assembly. The discount under this Section is not
7 allowed for the 1.25% portion of taxes paid on aviation fuel
8 that is subject to the revenue use requirements of 49 U.S.C.
9 47107(b) and 49 U.S.C. 47133. The discount allowed under this
10 Section is allowed only for returns that are filed in the
11 manner required by this Act. The Department may disallow the
12 discount for servicemen whose certificate of registration is
13 revoked at the time the return is filed, but only if the
14 Department's decision to revoke the certificate of
15 registration has become final.

16 Where such tangible personal property is sold under a
17 conditional sales contract, or under any other form of sale
18 wherein the payment of the principal sum, or a part thereof, is
19 extended beyond the close of the period for which the return is
20 filed, the serviceman, in collecting the tax may collect, for
21 each tax return period, only the tax applicable to the part of
22 the selling price actually received during such tax return
23 period.

24 Except as provided hereinafter in this Section, on or
25 before the twentieth day of each calendar month, such
26 serviceman shall file a return for the preceding calendar

1 month in accordance with reasonable rules and regulations to
2 be promulgated by the Department of Revenue. Such return shall
3 be filed on a form prescribed by the Department and shall
4 contain such information as the Department may reasonably
5 require. The return shall include the gross receipts which
6 were received during the preceding calendar month or quarter
7 on the following items upon which tax would have been due but
8 for the 0% rate imposed under this amendatory Act of the 102nd
9 General Assembly: (i) food for human consumption that is to be
10 consumed off the premises where it is sold (other than
11 alcoholic beverages, food consisting of or infused with adult
12 use cannabis, soft drinks, and food that has been prepared for
13 immediate consumption); and (ii) food prepared for immediate
14 consumption and transferred incident to a sale of service
15 subject to this Act or the Service Use Tax Act by an entity
16 licensed under the Hospital Licensing Act, the Nursing Home
17 Care Act, the Assisted Living and Shared Housing Act, the
18 ID/DD Community Care Act, the MC/DD Act, the Specialized
19 Mental Health Rehabilitation Act of 2013, or the Child Care
20 Act of 1969, or an entity that holds a permit issued pursuant
21 to the Life Care Facilities Act. The return shall also include
22 the amount of tax that would have been due on the items listed
23 in the previous sentence but for the 0% rate imposed under this
24 amendatory Act of the 102nd General Assembly.

25 On and after January 1, 2018, with respect to servicemen
26 whose annual gross receipts average \$20,000 or more, all

1 returns required to be filed pursuant to this Act shall be
2 filed electronically. Servicemen who demonstrate that they do
3 not have access to the Internet or demonstrate hardship in
4 filing electronically may petition the Department to waive the
5 electronic filing requirement.

6 The Department may require returns to be filed on a
7 quarterly basis. If so required, a return for each calendar
8 quarter shall be filed on or before the twentieth day of the
9 calendar month following the end of such calendar quarter. The
10 taxpayer shall also file a return with the Department for each
11 of the first two months of each calendar quarter, on or before
12 the twentieth day of the following calendar month, stating:

13 1. The name of the seller;

14 2. The address of the principal place of business from
15 which he engages in business as a serviceman in this
16 State;

17 3. The total amount of taxable receipts received by
18 him during the preceding calendar month, including
19 receipts from charge and time sales, but less all
20 deductions allowed by law;

21 4. The amount of credit provided in Section 2d of this
22 Act;

23 5. The amount of tax due;

24 5-5. The signature of the taxpayer; and

25 6. Such other reasonable information as the Department
26 may require.

1 Each serviceman required or authorized to collect the tax
2 herein imposed on aviation fuel acquired as an incident to the
3 purchase of a service in this State during the preceding
4 calendar month shall, instead of reporting and paying tax as
5 otherwise required by this Section, report and pay such tax on
6 a separate aviation fuel tax return. The requirements related
7 to the return shall be as otherwise provided in this Section.
8 Notwithstanding any other provisions of this Act to the
9 contrary, servicemen transferring aviation fuel incident to
10 sales of service shall file all aviation fuel tax returns and
11 shall make all aviation fuel tax payments by electronic means
12 in the manner and form required by the Department. For
13 purposes of this Section, "aviation fuel" means jet fuel and
14 aviation gasoline.

15 If a taxpayer fails to sign a return within 30 days after
16 the proper notice and demand for signature by the Department,
17 the return shall be considered valid and any amount shown to be
18 due on the return shall be deemed assessed.

19 Notwithstanding any other provision of this Act to the
20 contrary, servicemen subject to tax on cannabis shall file all
21 cannabis tax returns and shall make all cannabis tax payments
22 by electronic means in the manner and form required by the
23 Department.

24 Prior to October 1, 2003, and on and after September 1,
25 2004 a serviceman may accept a Manufacturer's Purchase Credit
26 certification from a purchaser in satisfaction of Service Use

1 Tax as provided in Section 3-70 of the Service Use Tax Act if
2 the purchaser provides the appropriate documentation as
3 required by Section 3-70 of the Service Use Tax Act. A
4 Manufacturer's Purchase Credit certification, accepted prior
5 to October 1, 2003 or on or after September 1, 2004 by a
6 serviceman as provided in Section 3-70 of the Service Use Tax
7 Act, may be used by that serviceman to satisfy Service
8 Occupation Tax liability in the amount claimed in the
9 certification, not to exceed 6.25% of the receipts subject to
10 tax from a qualifying purchase. A Manufacturer's Purchase
11 Credit reported on any original or amended return filed under
12 this Act after October 20, 2003 for reporting periods prior to
13 September 1, 2004 shall be disallowed. Manufacturer's Purchase
14 Credit reported on annual returns due on or after January 1,
15 2005 will be disallowed for periods prior to September 1,
16 2004. No Manufacturer's Purchase Credit may be used after
17 September 30, 2003 through August 31, 2004 to satisfy any tax
18 liability imposed under this Act, including any audit
19 liability.

20 If the serviceman's average monthly tax liability to the
21 Department does not exceed \$200, the Department may authorize
22 his returns to be filed on a quarter annual basis, with the
23 return for January, February and March of a given year being
24 due by April 20 of such year; with the return for April, May
25 and June of a given year being due by July 20 of such year;
26 with the return for July, August and September of a given year

1 being due by October 20 of such year, and with the return for
2 October, November and December of a given year being due by
3 January 20 of the following year.

4 If the serviceman's average monthly tax liability to the
5 Department does not exceed \$50, the Department may authorize
6 his returns to be filed on an annual basis, with the return for
7 a given year being due by January 20 of the following year.

8 Such quarter annual and annual returns, as to form and
9 substance, shall be subject to the same requirements as
10 monthly returns.

11 Notwithstanding any other provision in this Act concerning
12 the time within which a serviceman may file his return, in the
13 case of any serviceman who ceases to engage in a kind of
14 business which makes him responsible for filing returns under
15 this Act, such serviceman shall file a final return under this
16 Act with the Department not more than 1 month after
17 discontinuing such business.

18 Beginning October 1, 1993, a taxpayer who has an average
19 monthly tax liability of \$150,000 or more shall make all
20 payments required by rules of the Department by electronic
21 funds transfer. Beginning October 1, 1994, a taxpayer who has
22 an average monthly tax liability of \$100,000 or more shall
23 make all payments required by rules of the Department by
24 electronic funds transfer. Beginning October 1, 1995, a
25 taxpayer who has an average monthly tax liability of \$50,000
26 or more shall make all payments required by rules of the

1 Department by electronic funds transfer. Beginning October 1,
2 2000, a taxpayer who has an annual tax liability of \$200,000 or
3 more shall make all payments required by rules of the
4 Department by electronic funds transfer. The term "annual tax
5 liability" shall be the sum of the taxpayer's liabilities
6 under this Act, and under all other State and local occupation
7 and use tax laws administered by the Department, for the
8 immediately preceding calendar year. The term "average monthly
9 tax liability" means the sum of the taxpayer's liabilities
10 under this Act, and under all other State and local occupation
11 and use tax laws administered by the Department, for the
12 immediately preceding calendar year divided by 12. Beginning
13 on October 1, 2002, a taxpayer who has a tax liability in the
14 amount set forth in subsection (b) of Section 2505-210 of the
15 Department of Revenue Law shall make all payments required by
16 rules of the Department by electronic funds transfer.

17 Before August 1 of each year beginning in 1993, the
18 Department shall notify all taxpayers required to make
19 payments by electronic funds transfer. All taxpayers required
20 to make payments by electronic funds transfer shall make those
21 payments for a minimum of one year beginning on October 1.

22 Any taxpayer not required to make payments by electronic
23 funds transfer may make payments by electronic funds transfer
24 with the permission of the Department.

25 All taxpayers required to make payment by electronic funds
26 transfer and any taxpayers authorized to voluntarily make

1 payments by electronic funds transfer shall make those
2 payments in the manner authorized by the Department.

3 The Department shall adopt such rules as are necessary to
4 effectuate a program of electronic funds transfer and the
5 requirements of this Section.

6 Where a serviceman collects the tax with respect to the
7 selling price of tangible personal property which he sells and
8 the purchaser thereafter returns such tangible personal
9 property and the serviceman refunds the selling price thereof
10 to the purchaser, such serviceman shall also refund, to the
11 purchaser, the tax so collected from the purchaser. When
12 filing his return for the period in which he refunds such tax
13 to the purchaser, the serviceman may deduct the amount of the
14 tax so refunded by him to the purchaser from any other Service
15 Occupation Tax, Service Use Tax, Retailers' Occupation Tax or
16 Use Tax which such serviceman may be required to pay or remit
17 to the Department, as shown by such return, provided that the
18 amount of the tax to be deducted shall previously have been
19 remitted to the Department by such serviceman. If the
20 serviceman shall not previously have remitted the amount of
21 such tax to the Department, he shall be entitled to no
22 deduction hereunder upon refunding such tax to the purchaser.

23 If experience indicates such action to be practicable, the
24 Department may prescribe and furnish a combination or joint
25 return which will enable servicemen, who are required to file
26 returns hereunder and also under the Retailers' Occupation Tax

1 Act, the Use Tax Act or the Service Use Tax Act, to furnish all
2 the return information required by all said Acts on the one
3 form.

4 Where the serviceman has more than one business registered
5 with the Department under separate registrations hereunder,
6 such serviceman shall file separate returns for each
7 registered business.

8 Beginning January 1, 1990, each month the Department shall
9 pay into the Local Government Tax Fund the revenue realized
10 for the preceding month from the 1% tax imposed under this Act.

11 Beginning January 1, 1990, each month the Department shall
12 pay into the County and Mass Transit District Fund 4% of the
13 revenue realized for the preceding month from the 6.25%
14 general rate on sales of tangible personal property other than
15 aviation fuel sold on or after December 1, 2019. This
16 exception for aviation fuel only applies for so long as the
17 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
18 47133 are binding on the State.

19 Beginning August 1, 2000, each month the Department shall
20 pay into the County and Mass Transit District Fund 20% of the
21 net revenue realized for the preceding month from the 1.25%
22 rate on the selling price of motor fuel and gasohol.

23 Beginning January 1, 1990, each month the Department shall
24 pay into the Local Government Tax Fund 16% of the revenue
25 realized for the preceding month from the 6.25% general rate
26 on transfers of tangible personal property other than aviation

1 fuel sold on or after December 1, 2019. This exception for
2 aviation fuel only applies for so long as the revenue use
3 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
4 binding on the State.

5 For aviation fuel sold on or after December 1, 2019, each
6 month the Department shall pay into the State Aviation Program
7 Fund 20% of the net revenue realized for the preceding month
8 from the 6.25% general rate on the selling price of aviation
9 fuel, less an amount estimated by the Department to be
10 required for refunds of the 20% portion of the tax on aviation
11 fuel under this Act, which amount shall be deposited into the
12 Aviation Fuel Sales Tax Refund Fund. The Department shall only
13 pay moneys into the State Aviation Program Fund and the
14 Aviation Fuel Sales Tax Refund Fund under this Act for so long
15 as the revenue use requirements of 49 U.S.C. 47107(b) and 49
16 U.S.C. 47133 are binding on the State.

17 Beginning August 1, 2000, each month the Department shall
18 pay into the Local Government Tax Fund 80% of the net revenue
19 realized for the preceding month from the 1.25% rate on the
20 selling price of motor fuel and gasohol.

21 Beginning October 1, 2009, each month the Department shall
22 pay into the Capital Projects Fund an amount that is equal to
23 an amount estimated by the Department to represent 80% of the
24 net revenue realized for the preceding month from the sale of
25 candy, grooming and hygiene products, and soft drinks that had
26 been taxed at a rate of 1% prior to September 1, 2009 but that

1 are now taxed at 6.25%.

2 Beginning July 1, 2013, each month the Department shall
3 pay into the Underground Storage Tank Fund from the proceeds
4 collected under this Act, the Use Tax Act, the Service Use Tax
5 Act, and the Retailers' Occupation Tax Act an amount equal to
6 the average monthly deficit in the Underground Storage Tank
7 Fund during the prior year, as certified annually by the
8 Illinois Environmental Protection Agency, but the total
9 payment into the Underground Storage Tank Fund under this Act,
10 the Use Tax Act, the Service Use Tax Act, and the Retailers'
11 Occupation Tax Act shall not exceed \$18,000,000 in any State
12 fiscal year. As used in this paragraph, the "average monthly
13 deficit" shall be equal to the difference between the average
14 monthly claims for payment by the fund and the average monthly
15 revenues deposited into the fund, excluding payments made
16 pursuant to this paragraph.

17 Beginning July 1, 2015, of the remainder of the moneys
18 received by the Department under the Use Tax Act, the Service
19 Use Tax Act, this Act, and the Retailers' Occupation Tax Act,
20 each month the Department shall deposit \$500,000 into the
21 State Crime Laboratory Fund.

22 Of the remainder of the moneys received by the Department
23 pursuant to this Act, (a) 1.75% thereof shall be paid into the
24 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
25 and after July 1, 1989, 3.8% thereof shall be paid into the
26 Build Illinois Fund; provided, however, that if in any fiscal

1 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case
2 may be, of the moneys received by the Department and required
3 to be paid into the Build Illinois Fund pursuant to Section 3
4 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax
5 Act, Section 9 of the Service Use Tax Act, and Section 9 of the
6 Service Occupation Tax Act, such Acts being hereinafter called
7 the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case
8 may be, of moneys being hereinafter called the "Tax Act
9 Amount", and (2) the amount transferred to the Build Illinois
10 Fund from the State and Local Sales Tax Reform Fund shall be
11 less than the Annual Specified Amount (as defined in Section 3
12 of the Retailers' Occupation Tax Act), an amount equal to the
13 difference shall be immediately paid into the Build Illinois
14 Fund from other moneys received by the Department pursuant to
15 the Tax Acts; and further provided, that if on the last
16 business day of any month the sum of (1) the Tax Act Amount
17 required to be deposited into the Build Illinois Account in
18 the Build Illinois Fund during such month and (2) the amount
19 transferred during such month to the Build Illinois Fund from
20 the State and Local Sales Tax Reform Fund shall have been less
21 than 1/12 of the Annual Specified Amount, an amount equal to
22 the difference shall be immediately paid into the Build
23 Illinois Fund from other moneys received by the Department
24 pursuant to the Tax Acts; and, further provided, that in no
25 event shall the payments required under the preceding proviso
26 result in aggregate payments into the Build Illinois Fund

1 pursuant to this clause (b) for any fiscal year in excess of
2 the greater of (i) the Tax Act Amount or (ii) the Annual
3 Specified Amount for such fiscal year; and, further provided,
4 that the amounts payable into the Build Illinois Fund under
5 this clause (b) shall be payable only until such time as the
6 aggregate amount on deposit under each trust indenture
7 securing Bonds issued and outstanding pursuant to the Build
8 Illinois Bond Act is sufficient, taking into account any
9 future investment income, to fully provide, in accordance with
10 such indenture, for the defeasance of or the payment of the
11 principal of, premium, if any, and interest on the Bonds
12 secured by such indenture and on any Bonds expected to be
13 issued thereafter and all fees and costs payable with respect
14 thereto, all as certified by the Director of the Bureau of the
15 Budget (now Governor's Office of Management and Budget). If on
16 the last business day of any month in which Bonds are
17 outstanding pursuant to the Build Illinois Bond Act, the
18 aggregate of the moneys deposited in the Build Illinois Bond
19 Account in the Build Illinois Fund in such month shall be less
20 than the amount required to be transferred in such month from
21 the Build Illinois Bond Account to the Build Illinois Bond
22 Retirement and Interest Fund pursuant to Section 13 of the
23 Build Illinois Bond Act, an amount equal to such deficiency
24 shall be immediately paid from other moneys received by the
25 Department pursuant to the Tax Acts to the Build Illinois
26 Fund; provided, however, that any amounts paid to the Build

1 Illinois Fund in any fiscal year pursuant to this sentence
2 shall be deemed to constitute payments pursuant to clause (b)
3 of the preceding sentence and shall reduce the amount
4 otherwise payable for such fiscal year pursuant to clause (b)
5 of the preceding sentence. The moneys received by the
6 Department pursuant to this Act and required to be deposited
7 into the Build Illinois Fund are subject to the pledge, claim
8 and charge set forth in Section 12 of the Build Illinois Bond
9 Act.

10 Subject to payment of amounts into the Build Illinois Fund
11 as provided in the preceding paragraph or in any amendment
12 thereto hereafter enacted, the following specified monthly
13 installment of the amount requested in the certificate of the
14 Chairman of the Metropolitan Pier and Exposition Authority
15 provided under Section 8.25f of the State Finance Act, but not
16 in excess of the sums designated as "Total Deposit", shall be
17 deposited in the aggregate from collections under Section 9 of
18 the Use Tax Act, Section 9 of the Service Use Tax Act, Section
19 9 of the Service Occupation Tax Act, and Section 3 of the
20 Retailers' Occupation Tax Act into the McCormick Place
21 Expansion Project Fund in the specified fiscal years.

22	Fiscal Year	Total Deposit
23	1993	\$0
24	1994	53,000,000
25	1995	58,000,000

1	1996	61,000,000
2	1997	64,000,000
3	1998	68,000,000
4	1999	71,000,000
5	2000	75,000,000
6	2001	80,000,000
7	2002	93,000,000
8	2003	99,000,000
9	2004	103,000,000
10	2005	108,000,000
11	2006	113,000,000
12	2007	119,000,000
13	2008	126,000,000
14	2009	132,000,000
15	2010	139,000,000
16	2011	146,000,000
17	2012	153,000,000
18	2013	161,000,000
19	2014	170,000,000
20	2015	179,000,000
21	2016	189,000,000
22	2017	199,000,000
23	2018	210,000,000
24	2019	221,000,000
25	2020	233,000,000
26	2021	300,000,000

1	2022	300,000,000
2	2023	300,000,000
3	2024	300,000,000
4	2025	300,000,000
5	2026	300,000,000
6	2027	375,000,000
7	2028	375,000,000
8	2029	375,000,000
9	2030	375,000,000
10	2031	375,000,000
11	2032	375,000,000
12	2033	375,000,000
13	2034	375,000,000
14	2035	375,000,000
15	2036	450,000,000

16 and

17 each fiscal year
18 thereafter that bonds
19 are outstanding under
20 Section 13.2 of the
21 Metropolitan Pier and
22 Exposition Authority Act,
23 but not after fiscal year 2060.

24 Beginning July 20, 1993 and in each month of each fiscal
25 year thereafter, one-eighth of the amount requested in the
26 certificate of the Chairman of the Metropolitan Pier and

1 Exposition Authority for that fiscal year, less the amount
2 deposited into the McCormick Place Expansion Project Fund by
3 the State Treasurer in the respective month under subsection
4 (g) of Section 13 of the Metropolitan Pier and Exposition
5 Authority Act, plus cumulative deficiencies in the deposits
6 required under this Section for previous months and years,
7 shall be deposited into the McCormick Place Expansion Project
8 Fund, until the full amount requested for the fiscal year, but
9 not in excess of the amount specified above as "Total
10 Deposit", has been deposited.

11 Subject to payment of amounts into the Capital Projects
12 Fund, the Build Illinois Fund, and the McCormick Place
13 Expansion Project Fund pursuant to the preceding paragraphs or
14 in any amendments thereto hereafter enacted, for aviation fuel
15 sold on or after December 1, 2019, the Department shall each
16 month deposit into the Aviation Fuel Sales Tax Refund Fund an
17 amount estimated by the Department to be required for refunds
18 of the 80% portion of the tax on aviation fuel under this Act.
19 The Department shall only deposit moneys into the Aviation
20 Fuel Sales Tax Refund Fund under this paragraph for so long as
21 the revenue use requirements of 49 U.S.C. 47107(b) and 49
22 U.S.C. 47133 are binding on the State.

23 Subject to payment of amounts into the Build Illinois Fund
24 and the McCormick Place Expansion Project Fund pursuant to the
25 preceding paragraphs or in any amendments thereto hereafter
26 enacted, beginning July 1, 1993 and ending on September 30,

1 2013, the Department shall each month pay into the Illinois
2 Tax Increment Fund 0.27% of 80% of the net revenue realized for
3 the preceding month from the 6.25% general rate on the selling
4 price of tangible personal property.

5 Subject to payment of amounts into the Build Illinois Fund
6 and the McCormick Place Expansion Project Fund pursuant to the
7 preceding paragraphs or in any amendments thereto hereafter
8 enacted, beginning with the receipt of the first report of
9 taxes paid by an eligible business and continuing for a
10 25-year period, the Department shall each month pay into the
11 Energy Infrastructure Fund 80% of the net revenue realized
12 from the 6.25% general rate on the selling price of
13 Illinois-mined coal that was sold to an eligible business. For
14 purposes of this paragraph, the term "eligible business" means
15 a new electric generating facility certified pursuant to
16 Section 605-332 of the Department of Commerce and Economic
17 Opportunity Law of the Civil Administrative Code of Illinois.

18 Subject to payment of amounts into the Build Illinois
19 Fund, the McCormick Place Expansion Project Fund, the Illinois
20 Tax Increment Fund, and the Energy Infrastructure Fund
21 pursuant to the preceding paragraphs or in any amendments to
22 this Section hereafter enacted, beginning on the first day of
23 the first calendar month to occur on or after August 26, 2014
24 (the effective date of Public Act 98-1098), each month, from
25 the collections made under Section 9 of the Use Tax Act,
26 Section 9 of the Service Use Tax Act, Section 9 of the Service

1 Occupation Tax Act, and Section 3 of the Retailers' Occupation
2 Tax Act, the Department shall pay into the Tax Compliance and
3 Administration Fund, to be used, subject to appropriation, to
4 fund additional auditors and compliance personnel at the
5 Department of Revenue, an amount equal to 1/12 of 5% of 80% of
6 the cash receipts collected during the preceding fiscal year
7 by the Audit Bureau of the Department under the Use Tax Act,
8 the Service Use Tax Act, the Service Occupation Tax Act, the
9 Retailers' Occupation Tax Act, and associated local occupation
10 and use taxes administered by the Department.

11 Subject to payments of amounts into the Build Illinois
12 Fund, the McCormick Place Expansion Project Fund, the Illinois
13 Tax Increment Fund, the Energy Infrastructure Fund, and the
14 Tax Compliance and Administration Fund as provided in this
15 Section, beginning on July 1, 2018 the Department shall pay
16 each month into the Downstate Public Transportation Fund the
17 moneys required to be so paid under Section 2-3 of the
18 Downstate Public Transportation Act.

19 Subject to successful execution and delivery of a
20 public-private agreement between the public agency and private
21 entity and completion of the civic build, beginning on July 1,
22 2023, of the remainder of the moneys received by the
23 Department under the Use Tax Act, the Service Use Tax Act, the
24 Service Occupation Tax Act, and this Act, the Department shall
25 deposit the following specified deposits in the aggregate from
26 collections under the Use Tax Act, the Service Use Tax Act, the

1 Service Occupation Tax Act, and the Retailers' Occupation Tax
 2 Act, as required under Section 8.25g of the State Finance Act
 3 for distribution consistent with the Public-Private
 4 Partnership for Civic and Transit Infrastructure Project Act.
 5 The moneys received by the Department pursuant to this Act and
 6 required to be deposited into the Civic and Transit
 7 Infrastructure Fund are subject to the pledge, claim and
 8 charge set forth in Section 25-55 of the Public-Private
 9 Partnership for Civic and Transit Infrastructure Project Act.
 10 As used in this paragraph, "civic build", "private entity",
 11 "public-private agreement", and "public agency" have the
 12 meanings provided in Section 25-10 of the Public-Private
 13 Partnership for Civic and Transit Infrastructure Project Act.

14	Fiscal Year.....	Total Deposit
15	2024	\$200,000,000
16	2025	\$206,000,000
17	2026	\$212,200,000
18	2027	\$218,500,000
19	2028	\$225,100,000
20	2029	\$288,700,000
21	2030	\$298,900,000
22	2031	\$309,300,000
23	2032	\$320,100,000
24	2033	\$331,200,000
25	2034	\$341,200,000
26	2035	\$351,400,000

1	2036	\$361,900,000
2	2037	\$372,800,000
3	2038	\$384,000,000
4	2039	\$395,500,000
5	2040	\$407,400,000
6	2041	\$419,600,000
7	2042	\$432,200,000
8	2043	\$445,100,000

9 Beginning July 1, 2021 and until July 1, 2022, subject to
10 the payment of amounts into the County and Mass Transit
11 District Fund, the Local Government Tax Fund, the Build
12 Illinois Fund, the McCormick Place Expansion Project Fund, the
13 Illinois Tax Increment Fund, the Energy Infrastructure Fund,
14 and the Tax Compliance and Administration Fund as provided in
15 this Section, the Department shall pay each month into the
16 Road Fund the amount estimated to represent 16% of the net
17 revenue realized from the taxes imposed on motor fuel and
18 gasohol. Beginning July 1, 2022 and until July 1, 2023,
19 subject to the payment of amounts into the County and Mass
20 Transit District Fund, the Local Government Tax Fund, the
21 Build Illinois Fund, the McCormick Place Expansion Project
22 Fund, the Illinois Tax Increment Fund, the Energy
23 Infrastructure Fund, and the Tax Compliance and Administration
24 Fund as provided in this Section, the Department shall pay
25 each month into the Road Fund the amount estimated to
26 represent 32% of the net revenue realized from the taxes

1 imposed on motor fuel and gasohol. Beginning July 1, 2023 and
2 until July 1, 2024, subject to the payment of amounts into the
3 County and Mass Transit District Fund, the Local Government
4 Tax Fund, the Build Illinois Fund, the McCormick Place
5 Expansion Project Fund, the Illinois Tax Increment Fund, the
6 Energy Infrastructure Fund, and the Tax Compliance and
7 Administration Fund as provided in this Section, the
8 Department shall pay each month into the Road Fund the amount
9 estimated to represent 48% of the net revenue realized from
10 the taxes imposed on motor fuel and gasohol. Beginning July 1,
11 2024 and until July 1, 2025, subject to the payment of amounts
12 into the County and Mass Transit District Fund, the Local
13 Government Tax Fund, the Build Illinois Fund, the McCormick
14 Place Expansion Project Fund, the Illinois Tax Increment Fund,
15 the Energy Infrastructure Fund, and the Tax Compliance and
16 Administration Fund as provided in this Section, the
17 Department shall pay each month into the Road Fund the amount
18 estimated to represent 64% of the net revenue realized from
19 the taxes imposed on motor fuel and gasohol. Beginning on July
20 1, 2025, subject to the payment of amounts into the County and
21 Mass Transit District Fund, the Local Government Tax Fund, the
22 Build Illinois Fund, the McCormick Place Expansion Project
23 Fund, the Illinois Tax Increment Fund, the Energy
24 Infrastructure Fund, and the Tax Compliance and Administration
25 Fund as provided in this Section, the Department shall pay
26 each month into the Road Fund the amount estimated to

1 represent 80% of the net revenue realized from the taxes
2 imposed on motor fuel and gasohol. As used in this paragraph
3 "motor fuel" has the meaning given to that term in Section 1.1
4 of the Motor Fuel Tax Law Act, and "gasohol" has the meaning
5 given to that term in Section 3-40 of the Use Tax Act.

6 Of the remainder of the moneys received by the Department
7 pursuant to this Act, 75% shall be paid into the General
8 Revenue Fund of the State Treasury and 25% shall be reserved in
9 a special account and used only for the transfer to the Common
10 School Fund as part of the monthly transfer from the General
11 Revenue Fund in accordance with Section 8a of the State
12 Finance Act.

13 The Department may, upon separate written notice to a
14 taxpayer, require the taxpayer to prepare and file with the
15 Department on a form prescribed by the Department within not
16 less than 60 days after receipt of the notice an annual
17 information return for the tax year specified in the notice.
18 Such annual return to the Department shall include a statement
19 of gross receipts as shown by the taxpayer's last Federal
20 income tax return. If the total receipts of the business as
21 reported in the Federal income tax return do not agree with the
22 gross receipts reported to the Department of Revenue for the
23 same period, the taxpayer shall attach to his annual return a
24 schedule showing a reconciliation of the 2 amounts and the
25 reasons for the difference. The taxpayer's annual return to
26 the Department shall also disclose the cost of goods sold by

1 the taxpayer during the year covered by such return, opening
2 and closing inventories of such goods for such year, cost of
3 goods used from stock or taken from stock and given away by the
4 taxpayer during such year, pay roll information of the
5 taxpayer's business during such year and any additional
6 reasonable information which the Department deems would be
7 helpful in determining the accuracy of the monthly, quarterly
8 or annual returns filed by such taxpayer as hereinbefore
9 provided for in this Section.

10 If the annual information return required by this Section
11 is not filed when and as required, the taxpayer shall be liable
12 as follows:

13 (i) Until January 1, 1994, the taxpayer shall be
14 liable for a penalty equal to $1/6$ of 1% of the tax due from
15 such taxpayer under this Act during the period to be
16 covered by the annual return for each month or fraction of
17 a month until such return is filed as required, the
18 penalty to be assessed and collected in the same manner as
19 any other penalty provided for in this Act.

20 (ii) On and after January 1, 1994, the taxpayer shall
21 be liable for a penalty as described in Section 3-4 of the
22 Uniform Penalty and Interest Act.

23 The chief executive officer, proprietor, owner or highest
24 ranking manager shall sign the annual return to certify the
25 accuracy of the information contained therein. Any person who
26 willfully signs the annual return containing false or

1 inaccurate information shall be guilty of perjury and punished
2 accordingly. The annual return form prescribed by the
3 Department shall include a warning that the person signing the
4 return may be liable for perjury.

5 The foregoing portion of this Section concerning the
6 filing of an annual information return shall not apply to a
7 serviceman who is not required to file an income tax return
8 with the United States Government.

9 As soon as possible after the first day of each month, upon
10 certification of the Department of Revenue, the Comptroller
11 shall order transferred and the Treasurer shall transfer from
12 the General Revenue Fund to the Motor Fuel Tax Fund an amount
13 equal to 1.7% of 80% of the net revenue realized under this Act
14 for the second preceding month. Beginning April 1, 2000, this
15 transfer is no longer required and shall not be made.

16 Net revenue realized for a month shall be the revenue
17 collected by the State pursuant to this Act, less the amount
18 paid out during that month as refunds to taxpayers for
19 overpayment of liability.

20 For greater simplicity of administration, it shall be
21 permissible for manufacturers, importers and wholesalers whose
22 products are sold by numerous servicemen in Illinois, and who
23 wish to do so, to assume the responsibility for accounting and
24 paying to the Department all tax accruing under this Act with
25 respect to such sales, if the servicemen who are affected do
26 not make written objection to the Department to this

1 arrangement.

2 (Source: P.A. 100-303, eff. 8-24-17; 100-363, eff. 7-1-18;
3 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; 101-10, Article
4 15, Section 15-20, eff. 6-5-19; 101-10, Article 25, Section
5 25-115, eff. 6-5-19; 101-27, eff. 6-25-19; 101-32, eff.
6 6-28-19; 101-604, eff. 12-13-19; 101-636, eff. 6-10-20.)

7 Section 60-30. The Retailers' Occupation Tax Act is
8 amended by changing Sections 2-10 and 3 as follows:

9 (35 ILCS 120/2-10)

10 Sec. 2-10. Rate of tax. Unless otherwise provided in this
11 Section, the tax imposed by this Act is at the rate of 6.25% of
12 gross receipts from sales of tangible personal property made
13 in the course of business.

14 Beginning on July 1, 2000 and through December 31, 2000,
15 with respect to motor fuel, as defined in Section 1.1 of the
16 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of
17 the Use Tax Act, the tax is imposed at the rate of 1.25%.

18 Beginning on August 6, 2010 through August 15, 2010, with
19 respect to sales tax holiday items as defined in Section 2-8 of
20 this Act, the tax is imposed at the rate of 1.25%.

21 Within 14 days after the effective date of this amendatory
22 Act of the 91st General Assembly, each retailer of motor fuel
23 and gasohol shall cause the following notice to be posted in a
24 prominently visible place on each retail dispensing device

1 that is used to dispense motor fuel or gasohol in the State of
2 Illinois: "As of July 1, 2000, the State of Illinois has
3 eliminated the State's share of sales tax on motor fuel and
4 gasohol through December 31, 2000. The price on this pump
5 should reflect the elimination of the tax." The notice shall
6 be printed in bold print on a sign that is no smaller than 4
7 inches by 8 inches. The sign shall be clearly visible to
8 customers. Any retailer who fails to post or maintain a
9 required sign through December 31, 2000 is guilty of a petty
10 offense for which the fine shall be \$500 per day per each
11 retail premises where a violation occurs.

12 With respect to gasohol, as defined in the Use Tax Act, the
13 tax imposed by this Act applies to (i) 70% of the proceeds of
14 sales made on or after January 1, 1990, and before July 1,
15 2003, (ii) 80% of the proceeds of sales made on or after July
16 1, 2003 and on or before July 1, 2017, and (iii) 100% of the
17 proceeds of sales made thereafter. If, at any time, however,
18 the tax under this Act on sales of gasohol, as defined in the
19 Use Tax Act, is imposed at the rate of 1.25%, then the tax
20 imposed by this Act applies to 100% of the proceeds of sales of
21 gasohol made during that time.

22 With respect to majority blended ethanol fuel, as defined
23 in the Use Tax Act, the tax imposed by this Act does not apply
24 to the proceeds of sales made on or after July 1, 2003 and on
25 or before December 31, 2023 but applies to 100% of the proceeds
26 of sales made thereafter.

1 With respect to biodiesel blends, as defined in the Use
2 Tax Act, with no less than 1% and no more than 10% biodiesel,
3 the tax imposed by this Act applies to (i) 80% of the proceeds
4 of sales made on or after July 1, 2003 and on or before
5 December 31, 2018 and (ii) 100% of the proceeds of sales made
6 thereafter. If, at any time, however, the tax under this Act on
7 sales of biodiesel blends, as defined in the Use Tax Act, with
8 no less than 1% and no more than 10% biodiesel is imposed at
9 the rate of 1.25%, then the tax imposed by this Act applies to
10 100% of the proceeds of sales of biodiesel blends with no less
11 than 1% and no more than 10% biodiesel made during that time.

12 With respect to 100% biodiesel, as defined in the Use Tax
13 Act, and biodiesel blends, as defined in the Use Tax Act, with
14 more than 10% but no more than 99% biodiesel, the tax imposed
15 by this Act does not apply to the proceeds of sales made on or
16 after July 1, 2003 and on or before December 31, 2023 but
17 applies to 100% of the proceeds of sales made thereafter.

18 Until July 1, 2022 and beginning again on July 1, 2023,
19 with ~~With~~ respect to food for human consumption that is to be
20 consumed off the premises where it is sold (other than
21 alcoholic beverages, food consisting of or infused with adult
22 use cannabis, soft drinks, and food that has been prepared for
23 immediate consumption), the tax is imposed at the rate of 1%.
24 Beginning July 1, 2022 and until July 1, 2023, with respect to
25 food for human consumption that is to be consumed off the
26 premises where it is sold (other than alcoholic beverages,

1 food consisting of or infused with adult use cannabis, soft
2 drinks, and food that has been prepared for immediate
3 consumption), the tax is imposed at the rate of 0%.

4 With respect to ~~and~~ prescription and nonprescription
5 medicines, drugs, medical appliances, products classified as
6 Class III medical devices by the United States Food and Drug
7 Administration that are used for cancer treatment pursuant to
8 a prescription, as well as any accessories and components
9 related to those devices, modifications to a motor vehicle for
10 the purpose of rendering it usable by a person with a
11 disability, and insulin, blood sugar testing materials,
12 syringes, and needles used by human diabetics, the tax is
13 imposed at the rate of 1%. For the purposes of this Section,
14 until September 1, 2009: the term "soft drinks" means any
15 complete, finished, ready-to-use, non-alcoholic drink, whether
16 carbonated or not, including but not limited to soda water,
17 cola, fruit juice, vegetable juice, carbonated water, and all
18 other preparations commonly known as soft drinks of whatever
19 kind or description that are contained in any closed or sealed
20 bottle, can, carton, or container, regardless of size; but
21 "soft drinks" does not include coffee, tea, non-carbonated
22 water, infant formula, milk or milk products as defined in the
23 Grade A Pasteurized Milk and Milk Products Act, or drinks
24 containing 50% or more natural fruit or vegetable juice.

25 Notwithstanding any other provisions of this Act,
26 beginning September 1, 2009, "soft drinks" means non-alcoholic

1 beverages that contain natural or artificial sweeteners. "Soft
2 drinks" do not include beverages that contain milk or milk
3 products, soy, rice or similar milk substitutes, or greater
4 than 50% of vegetable or fruit juice by volume.

5 Until August 1, 2009, and notwithstanding any other
6 provisions of this Act, "food for human consumption that is to
7 be consumed off the premises where it is sold" includes all
8 food sold through a vending machine, except soft drinks and
9 food products that are dispensed hot from a vending machine,
10 regardless of the location of the vending machine. Beginning
11 August 1, 2009, and notwithstanding any other provisions of
12 this Act, "food for human consumption that is to be consumed
13 off the premises where it is sold" includes all food sold
14 through a vending machine, except soft drinks, candy, and food
15 products that are dispensed hot from a vending machine,
16 regardless of the location of the vending machine.

17 Notwithstanding any other provisions of this Act,
18 beginning September 1, 2009, "food for human consumption that
19 is to be consumed off the premises where it is sold" does not
20 include candy. For purposes of this Section, "candy" means a
21 preparation of sugar, honey, or other natural or artificial
22 sweeteners in combination with chocolate, fruits, nuts or
23 other ingredients or flavorings in the form of bars, drops, or
24 pieces. "Candy" does not include any preparation that contains
25 flour or requires refrigeration.

26 Notwithstanding any other provisions of this Act,

1 beginning September 1, 2009, "nonprescription medicines and
2 drugs" does not include grooming and hygiene products. For
3 purposes of this Section, "grooming and hygiene products"
4 includes, but is not limited to, soaps and cleaning solutions,
5 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan
6 lotions and screens, unless those products are available by
7 prescription only, regardless of whether the products meet the
8 definition of "over-the-counter-drugs". For the purposes of
9 this paragraph, "over-the-counter-drug" means a drug for human
10 use that contains a label that identifies the product as a drug
11 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"
12 label includes:

13 (A) A "Drug Facts" panel; or

14 (B) A statement of the "active ingredient(s)" with a
15 list of those ingredients contained in the compound,
16 substance or preparation.

17 Beginning on the effective date of this amendatory Act of
18 the 98th General Assembly, "prescription and nonprescription
19 medicines and drugs" includes medical cannabis purchased from
20 a registered dispensing organization under the Compassionate
21 Use of Medical Cannabis Program Act.

22 As used in this Section, "adult use cannabis" means
23 cannabis subject to tax under the Cannabis Cultivation
24 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law
25 and does not include cannabis subject to tax under the
26 Compassionate Use of Medical Cannabis Program Act.

1 (Source: P.A. 101-363, eff. 8-9-19; 101-593, eff. 12-4-19;
2 102-4, eff. 4-27-21.)

3 (35 ILCS 120/3) (from Ch. 120, par. 442)

4 Sec. 3. Except as provided in this Section, on or before
5 the twentieth day of each calendar month, every person engaged
6 in the business of selling tangible personal property at
7 retail in this State during the preceding calendar month shall
8 file a return with the Department, stating:

9 1. The name of the seller;

10 2. His residence address and the address of his
11 principal place of business and the address of the
12 principal place of business (if that is a different
13 address) from which he engages in the business of selling
14 tangible personal property at retail in this State;

15 3. Total amount of receipts received by him during the
16 preceding calendar month or quarter, as the case may be,
17 from sales of tangible personal property, and from
18 services furnished, by him during such preceding calendar
19 month or quarter;

20 4. Total amount received by him during the preceding
21 calendar month or quarter on charge and time sales of
22 tangible personal property, and from services furnished,
23 by him prior to the month or quarter for which the return
24 is filed;

25 5. Deductions allowed by law;

1 6. Gross receipts which were received by him during
2 the preceding calendar month or quarter and upon the basis
3 of which the tax is imposed, including gross receipts on
4 food for human consumption that is to be consumed off the
5 premises where it is sold (other than alcoholic beverages,
6 food consisting of or infused with adult use cannabis,
7 soft drinks, and food that has been prepared for immediate
8 consumption) which were received during the preceding
9 calendar month or quarter and upon which tax would have
10 been due but for the 0% rate imposed under this amendatory
11 Act of the 102nd General Assembly;

12 7. The amount of credit provided in Section 2d of this
13 Act;

14 8. The amount of tax due, including the amount of tax
15 that would have been due on food for human consumption
16 that is to be consumed off the premises where it is sold
17 (other than alcoholic beverages, food consisting of or
18 infused with adult use cannabis, soft drinks, and food
19 that has been prepared for immediate consumption) but for
20 the 0% rate imposed under this amendatory Act of the 102nd
21 General Assembly;

22 9. The signature of the taxpayer; and

23 10. Such other reasonable information as the
24 Department may require.

25 On and after January 1, 2018, except for returns for motor
26 vehicles, watercraft, aircraft, and trailers that are required

1 to be registered with an agency of this State, with respect to
2 retailers whose annual gross receipts average \$20,000 or more,
3 all returns required to be filed pursuant to this Act shall be
4 filed electronically. Retailers who demonstrate that they do
5 not have access to the Internet or demonstrate hardship in
6 filing electronically may petition the Department to waive the
7 electronic filing requirement.

8 If a taxpayer fails to sign a return within 30 days after
9 the proper notice and demand for signature by the Department,
10 the return shall be considered valid and any amount shown to be
11 due on the return shall be deemed assessed.

12 Each return shall be accompanied by the statement of
13 prepaid tax issued pursuant to Section 2e for which credit is
14 claimed.

15 Prior to October 1, 2003, and on and after September 1,
16 2004 a retailer may accept a Manufacturer's Purchase Credit
17 certification from a purchaser in satisfaction of Use Tax as
18 provided in Section 3-85 of the Use Tax Act if the purchaser
19 provides the appropriate documentation as required by Section
20 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit
21 certification, accepted by a retailer prior to October 1, 2003
22 and on and after September 1, 2004 as provided in Section 3-85
23 of the Use Tax Act, may be used by that retailer to satisfy
24 Retailers' Occupation Tax liability in the amount claimed in
25 the certification, not to exceed 6.25% of the receipts subject
26 to tax from a qualifying purchase. A Manufacturer's Purchase

1 Credit reported on any original or amended return filed under
2 this Act after October 20, 2003 for reporting periods prior to
3 September 1, 2004 shall be disallowed. Manufacturer's Purchase
4 ~~Purchaser~~ Credit reported on annual returns due on or after
5 January 1, 2005 will be disallowed for periods prior to
6 September 1, 2004. No Manufacturer's Purchase Credit may be
7 used after September 30, 2003 through August 31, 2004 to
8 satisfy any tax liability imposed under this Act, including
9 any audit liability.

10 The Department may require returns to be filed on a
11 quarterly basis. If so required, a return for each calendar
12 quarter shall be filed on or before the twentieth day of the
13 calendar month following the end of such calendar quarter. The
14 taxpayer shall also file a return with the Department for each
15 of the first two months of each calendar quarter, on or before
16 the twentieth day of the following calendar month, stating:

17 1. The name of the seller;

18 2. The address of the principal place of business from
19 which he engages in the business of selling tangible
20 personal property at retail in this State;

21 3. The total amount of taxable receipts received by
22 him during the preceding calendar month from sales of
23 tangible personal property by him during such preceding
24 calendar month, including receipts from charge and time
25 sales, but less all deductions allowed by law;

26 4. The amount of credit provided in Section 2d of this

1 Act;

2 5. The amount of tax due; and

3 6. Such other reasonable information as the Department
4 may require.

5 Every person engaged in the business of selling aviation
6 fuel at retail in this State during the preceding calendar
7 month shall, instead of reporting and paying tax as otherwise
8 required by this Section, report and pay such tax on a separate
9 aviation fuel tax return. The requirements related to the
10 return shall be as otherwise provided in this Section.
11 Notwithstanding any other provisions of this Act to the
12 contrary, retailers selling aviation fuel shall file all
13 aviation fuel tax returns and shall make all aviation fuel tax
14 payments by electronic means in the manner and form required
15 by the Department. For purposes of this Section, "aviation
16 fuel" means jet fuel and aviation gasoline.

17 Beginning on October 1, 2003, any person who is not a
18 licensed distributor, importing distributor, or manufacturer,
19 as defined in the Liquor Control Act of 1934, but is engaged in
20 the business of selling, at retail, alcoholic liquor shall
21 file a statement with the Department of Revenue, in a format
22 and at a time prescribed by the Department, showing the total
23 amount paid for alcoholic liquor purchased during the
24 preceding month and such other information as is reasonably
25 required by the Department. The Department may adopt rules to
26 require that this statement be filed in an electronic or

1 telephonic format. Such rules may provide for exceptions from
2 the filing requirements of this paragraph. For the purposes of
3 this paragraph, the term "alcoholic liquor" shall have the
4 meaning prescribed in the Liquor Control Act of 1934.

5 Beginning on October 1, 2003, every distributor, importing
6 distributor, and manufacturer of alcoholic liquor as defined
7 in the Liquor Control Act of 1934, shall file a statement with
8 the Department of Revenue, no later than the 10th day of the
9 month for the preceding month during which transactions
10 occurred, by electronic means, showing the total amount of
11 gross receipts from the sale of alcoholic liquor sold or
12 distributed during the preceding month to purchasers;
13 identifying the purchaser to whom it was sold or distributed;
14 the purchaser's tax registration number; and such other
15 information reasonably required by the Department. A
16 distributor, importing distributor, or manufacturer of
17 alcoholic liquor must personally deliver, mail, or provide by
18 electronic means to each retailer listed on the monthly
19 statement a report containing a cumulative total of that
20 distributor's, importing distributor's, or manufacturer's
21 total sales of alcoholic liquor to that retailer no later than
22 the 10th day of the month for the preceding month during which
23 the transaction occurred. The distributor, importing
24 distributor, or manufacturer shall notify the retailer as to
25 the method by which the distributor, importing distributor, or
26 manufacturer will provide the sales information. If the

1 retailer is unable to receive the sales information by
2 electronic means, the distributor, importing distributor, or
3 manufacturer shall furnish the sales information by personal
4 delivery or by mail. For purposes of this paragraph, the term
5 "electronic means" includes, but is not limited to, the use of
6 a secure Internet website, e-mail, or facsimile.

7 If a total amount of less than \$1 is payable, refundable or
8 creditable, such amount shall be disregarded if it is less
9 than 50 cents and shall be increased to \$1 if it is 50 cents or
10 more.

11 Notwithstanding any other provision of this Act to the
12 contrary, retailers subject to tax on cannabis shall file all
13 cannabis tax returns and shall make all cannabis tax payments
14 by electronic means in the manner and form required by the
15 Department.

16 Beginning October 1, 1993, a taxpayer who has an average
17 monthly tax liability of \$150,000 or more shall make all
18 payments required by rules of the Department by electronic
19 funds transfer. Beginning October 1, 1994, a taxpayer who has
20 an average monthly tax liability of \$100,000 or more shall
21 make all payments required by rules of the Department by
22 electronic funds transfer. Beginning October 1, 1995, a
23 taxpayer who has an average monthly tax liability of \$50,000
24 or more shall make all payments required by rules of the
25 Department by electronic funds transfer. Beginning October 1,
26 2000, a taxpayer who has an annual tax liability of \$200,000 or

1 more shall make all payments required by rules of the
2 Department by electronic funds transfer. The term "annual tax
3 liability" shall be the sum of the taxpayer's liabilities
4 under this Act, and under all other State and local occupation
5 and use tax laws administered by the Department, for the
6 immediately preceding calendar year. The term "average monthly
7 tax liability" shall be the sum of the taxpayer's liabilities
8 under this Act, and under all other State and local occupation
9 and use tax laws administered by the Department, for the
10 immediately preceding calendar year divided by 12. Beginning
11 on October 1, 2002, a taxpayer who has a tax liability in the
12 amount set forth in subsection (b) of Section 2505-210 of the
13 Department of Revenue Law shall make all payments required by
14 rules of the Department by electronic funds transfer.

15 Before August 1 of each year beginning in 1993, the
16 Department shall notify all taxpayers required to make
17 payments by electronic funds transfer. All taxpayers required
18 to make payments by electronic funds transfer shall make those
19 payments for a minimum of one year beginning on October 1.

20 Any taxpayer not required to make payments by electronic
21 funds transfer may make payments by electronic funds transfer
22 with the permission of the Department.

23 All taxpayers required to make payment by electronic funds
24 transfer and any taxpayers authorized to voluntarily make
25 payments by electronic funds transfer shall make those
26 payments in the manner authorized by the Department.

1 The Department shall adopt such rules as are necessary to
2 effectuate a program of electronic funds transfer and the
3 requirements of this Section.

4 Any amount which is required to be shown or reported on any
5 return or other document under this Act shall, if such amount
6 is not a whole-dollar amount, be increased to the nearest
7 whole-dollar amount in any case where the fractional part of a
8 dollar is 50 cents or more, and decreased to the nearest
9 whole-dollar amount where the fractional part of a dollar is
10 less than 50 cents.

11 If the retailer is otherwise required to file a monthly
12 return and if the retailer's average monthly tax liability to
13 the Department does not exceed \$200, the Department may
14 authorize his returns to be filed on a quarter annual basis,
15 with the return for January, February and March of a given year
16 being due by April 20 of such year; with the return for April,
17 May and June of a given year being due by July 20 of such year;
18 with the return for July, August and September of a given year
19 being due by October 20 of such year, and with the return for
20 October, November and December of a given year being due by
21 January 20 of the following year.

22 If the retailer is otherwise required to file a monthly or
23 quarterly return and if the retailer's average monthly tax
24 liability with the Department does not exceed \$50, the
25 Department may authorize his returns to be filed on an annual
26 basis, with the return for a given year being due by January 20

1 of the following year.

2 Such quarter annual and annual returns, as to form and
3 substance, shall be subject to the same requirements as
4 monthly returns.

5 Notwithstanding any other provision in this Act concerning
6 the time within which a retailer may file his return, in the
7 case of any retailer who ceases to engage in a kind of business
8 which makes him responsible for filing returns under this Act,
9 such retailer shall file a final return under this Act with the
10 Department not more than one month after discontinuing such
11 business.

12 Where the same person has more than one business
13 registered with the Department under separate registrations
14 under this Act, such person may not file each return that is
15 due as a single return covering all such registered
16 businesses, but shall file separate returns for each such
17 registered business.

18 In addition, with respect to motor vehicles, watercraft,
19 aircraft, and trailers that are required to be registered with
20 an agency of this State, except as otherwise provided in this
21 Section, every retailer selling this kind of tangible personal
22 property shall file, with the Department, upon a form to be
23 prescribed and supplied by the Department, a separate return
24 for each such item of tangible personal property which the
25 retailer sells, except that if, in the same transaction, (i) a
26 retailer of aircraft, watercraft, motor vehicles or trailers

1 transfers more than one aircraft, watercraft, motor vehicle or
2 trailer to another aircraft, watercraft, motor vehicle
3 retailer or trailer retailer for the purpose of resale or (ii)
4 a retailer of aircraft, watercraft, motor vehicles, or
5 trailers transfers more than one aircraft, watercraft, motor
6 vehicle, or trailer to a purchaser for use as a qualifying
7 rolling stock as provided in Section 2-5 of this Act, then that
8 seller may report the transfer of all aircraft, watercraft,
9 motor vehicles or trailers involved in that transaction to the
10 Department on the same uniform invoice-transaction reporting
11 return form. For purposes of this Section, "watercraft" means
12 a Class 2, Class 3, or Class 4 watercraft as defined in Section
13 3-2 of the Boat Registration and Safety Act, a personal
14 watercraft, or any boat equipped with an inboard motor.

15 In addition, with respect to motor vehicles, watercraft,
16 aircraft, and trailers that are required to be registered with
17 an agency of this State, every person who is engaged in the
18 business of leasing or renting such items and who, in
19 connection with such business, sells any such item to a
20 retailer for the purpose of resale is, notwithstanding any
21 other provision of this Section to the contrary, authorized to
22 meet the return-filing requirement of this Act by reporting
23 the transfer of all the aircraft, watercraft, motor vehicles,
24 or trailers transferred for resale during a month to the
25 Department on the same uniform invoice-transaction reporting
26 return form on or before the 20th of the month following the

1 month in which the transfer takes place. Notwithstanding any
2 other provision of this Act to the contrary, all returns filed
3 under this paragraph must be filed by electronic means in the
4 manner and form as required by the Department.

5 Any retailer who sells only motor vehicles, watercraft,
6 aircraft, or trailers that are required to be registered with
7 an agency of this State, so that all retailers' occupation tax
8 liability is required to be reported, and is reported, on such
9 transaction reporting returns and who is not otherwise
10 required to file monthly or quarterly returns, need not file
11 monthly or quarterly returns. However, those retailers shall
12 be required to file returns on an annual basis.

13 The transaction reporting return, in the case of motor
14 vehicles or trailers that are required to be registered with
15 an agency of this State, shall be the same document as the
16 Uniform Invoice referred to in Section 5-402 of the Illinois
17 Vehicle Code and must show the name and address of the seller;
18 the name and address of the purchaser; the amount of the
19 selling price including the amount allowed by the retailer for
20 traded-in property, if any; the amount allowed by the retailer
21 for the traded-in tangible personal property, if any, to the
22 extent to which Section 1 of this Act allows an exemption for
23 the value of traded-in property; the balance payable after
24 deducting such trade-in allowance from the total selling
25 price; the amount of tax due from the retailer with respect to
26 such transaction; the amount of tax collected from the

1 purchaser by the retailer on such transaction (or satisfactory
2 evidence that such tax is not due in that particular instance,
3 if that is claimed to be the fact); the place and date of the
4 sale; a sufficient identification of the property sold; such
5 other information as is required in Section 5-402 of the
6 Illinois Vehicle Code, and such other information as the
7 Department may reasonably require.

8 The transaction reporting return in the case of watercraft
9 or aircraft must show the name and address of the seller; the
10 name and address of the purchaser; the amount of the selling
11 price including the amount allowed by the retailer for
12 traded-in property, if any; the amount allowed by the retailer
13 for the traded-in tangible personal property, if any, to the
14 extent to which Section 1 of this Act allows an exemption for
15 the value of traded-in property; the balance payable after
16 deducting such trade-in allowance from the total selling
17 price; the amount of tax due from the retailer with respect to
18 such transaction; the amount of tax collected from the
19 purchaser by the retailer on such transaction (or satisfactory
20 evidence that such tax is not due in that particular instance,
21 if that is claimed to be the fact); the place and date of the
22 sale, a sufficient identification of the property sold, and
23 such other information as the Department may reasonably
24 require.

25 Such transaction reporting return shall be filed not later
26 than 20 days after the day of delivery of the item that is

1 being sold, but may be filed by the retailer at any time sooner
2 than that if he chooses to do so. The transaction reporting
3 return and tax remittance or proof of exemption from the
4 Illinois use tax may be transmitted to the Department by way of
5 the State agency with which, or State officer with whom the
6 tangible personal property must be titled or registered (if
7 titling or registration is required) if the Department and
8 such agency or State officer determine that this procedure
9 will expedite the processing of applications for title or
10 registration.

11 With each such transaction reporting return, the retailer
12 shall remit the proper amount of tax due (or shall submit
13 satisfactory evidence that the sale is not taxable if that is
14 the case), to the Department or its agents, whereupon the
15 Department shall issue, in the purchaser's name, a use tax
16 receipt (or a certificate of exemption if the Department is
17 satisfied that the particular sale is tax exempt) which such
18 purchaser may submit to the agency with which, or State
19 officer with whom, he must title or register the tangible
20 personal property that is involved (if titling or registration
21 is required) in support of such purchaser's application for an
22 Illinois certificate or other evidence of title or
23 registration to such tangible personal property.

24 No retailer's failure or refusal to remit tax under this
25 Act precludes a user, who has paid the proper tax to the
26 retailer, from obtaining his certificate of title or other

1 evidence of title or registration (if titling or registration
2 is required) upon satisfying the Department that such user has
3 paid the proper tax (if tax is due) to the retailer. The
4 Department shall adopt appropriate rules to carry out the
5 mandate of this paragraph.

6 If the user who would otherwise pay tax to the retailer
7 wants the transaction reporting return filed and the payment
8 of the tax or proof of exemption made to the Department before
9 the retailer is willing to take these actions and such user has
10 not paid the tax to the retailer, such user may certify to the
11 fact of such delay by the retailer and may (upon the Department
12 being satisfied of the truth of such certification) transmit
13 the information required by the transaction reporting return
14 and the remittance for tax or proof of exemption directly to
15 the Department and obtain his tax receipt or exemption
16 determination, in which event the transaction reporting return
17 and tax remittance (if a tax payment was required) shall be
18 credited by the Department to the proper retailer's account
19 with the Department, but without the 2.1% or 1.75% discount
20 provided for in this Section being allowed. When the user pays
21 the tax directly to the Department, he shall pay the tax in the
22 same amount and in the same form in which it would be remitted
23 if the tax had been remitted to the Department by the retailer.

24 Refunds made by the seller during the preceding return
25 period to purchasers, on account of tangible personal property
26 returned to the seller, shall be allowed as a deduction under

1 subdivision 5 of his monthly or quarterly return, as the case
2 may be, in case the seller had theretofore included the
3 receipts from the sale of such tangible personal property in a
4 return filed by him and had paid the tax imposed by this Act
5 with respect to such receipts.

6 Where the seller is a corporation, the return filed on
7 behalf of such corporation shall be signed by the president,
8 vice-president, secretary or treasurer or by the properly
9 accredited agent of such corporation.

10 Where the seller is a limited liability company, the
11 return filed on behalf of the limited liability company shall
12 be signed by a manager, member, or properly accredited agent
13 of the limited liability company.

14 Except as provided in this Section, the retailer filing
15 the return under this Section shall, at the time of filing such
16 return, pay to the Department the amount of tax imposed by this
17 Act less a discount of 2.1% prior to January 1, 1990 and 1.75%
18 on and after January 1, 1990, or \$5 per calendar year,
19 whichever is greater, which is allowed to reimburse the
20 retailer for the expenses incurred in keeping records,
21 preparing and filing returns, remitting the tax and supplying
22 data to the Department on request. On and after January 1,
23 2021, a certified service provider, as defined in the Leveling
24 the Playing Field for Illinois Retail Act, filing the return
25 under this Section on behalf of a remote retailer shall, at the
26 time of such return, pay to the Department the amount of tax

1 imposed by this Act less a discount of 1.75%. A remote retailer
2 using a certified service provider to file a return on its
3 behalf, as provided in the Leveling the Playing Field for
4 Illinois Retail Act, is not eligible for the discount. When
5 determining the discount allowed under this Section, retailers
6 shall include the amount of tax that would have been due at the
7 1% rate but for the 0% rate imposed under this amendatory Act
8 of the 102nd General Assembly. The discount under this Section
9 is not allowed for the 1.25% portion of taxes paid on aviation
10 fuel that is subject to the revenue use requirements of 49
11 U.S.C. 47107(b) and 49 U.S.C. 47133. Any prepayment made
12 pursuant to Section 2d of this Act shall be included in the
13 amount on which such 2.1% or 1.75% discount is computed. In the
14 case of retailers who report and pay the tax on a transaction
15 by transaction basis, as provided in this Section, such
16 discount shall be taken with each such tax remittance instead
17 of when such retailer files his periodic return. The discount
18 allowed under this Section is allowed only for returns that
19 are filed in the manner required by this Act. The Department
20 may disallow the discount for retailers whose certificate of
21 registration is revoked at the time the return is filed, but
22 only if the Department's decision to revoke the certificate of
23 registration has become final.

24 Before October 1, 2000, if the taxpayer's average monthly
25 tax liability to the Department under this Act, the Use Tax
26 Act, the Service Occupation Tax Act, and the Service Use Tax

1 Act, excluding any liability for prepaid sales tax to be
2 remitted in accordance with Section 2d of this Act, was
3 \$10,000 or more during the preceding 4 complete calendar
4 quarters, he shall file a return with the Department each
5 month by the 20th day of the month next following the month
6 during which such tax liability is incurred and shall make
7 payments to the Department on or before the 7th, 15th, 22nd and
8 last day of the month during which such liability is incurred.
9 On and after October 1, 2000, if the taxpayer's average
10 monthly tax liability to the Department under this Act, the
11 Use Tax Act, the Service Occupation Tax Act, and the Service
12 Use Tax Act, excluding any liability for prepaid sales tax to
13 be remitted in accordance with Section 2d of this Act, was
14 \$20,000 or more during the preceding 4 complete calendar
15 quarters, he shall file a return with the Department each
16 month by the 20th day of the month next following the month
17 during which such tax liability is incurred and shall make
18 payment to the Department on or before the 7th, 15th, 22nd and
19 last day of the month during which such liability is incurred.
20 If the month during which such tax liability is incurred began
21 prior to January 1, 1985, each payment shall be in an amount
22 equal to 1/4 of the taxpayer's actual liability for the month
23 or an amount set by the Department not to exceed 1/4 of the
24 average monthly liability of the taxpayer to the Department
25 for the preceding 4 complete calendar quarters (excluding the
26 month of highest liability and the month of lowest liability

1 in such 4 quarter period). If the month during which such tax
2 liability is incurred begins on or after January 1, 1985 and
3 prior to January 1, 1987, each payment shall be in an amount
4 equal to 22.5% of the taxpayer's actual liability for the
5 month or 27.5% of the taxpayer's liability for the same
6 calendar month of the preceding year. If the month during
7 which such tax liability is incurred begins on or after
8 January 1, 1987 and prior to January 1, 1988, each payment
9 shall be in an amount equal to 22.5% of the taxpayer's actual
10 liability for the month or 26.25% of the taxpayer's liability
11 for the same calendar month of the preceding year. If the month
12 during which such tax liability is incurred begins on or after
13 January 1, 1988, and prior to January 1, 1989, or begins on or
14 after January 1, 1996, each payment shall be in an amount equal
15 to 22.5% of the taxpayer's actual liability for the month or
16 25% of the taxpayer's liability for the same calendar month of
17 the preceding year. If the month during which such tax
18 liability is incurred begins on or after January 1, 1989, and
19 prior to January 1, 1996, each payment shall be in an amount
20 equal to 22.5% of the taxpayer's actual liability for the
21 month or 25% of the taxpayer's liability for the same calendar
22 month of the preceding year or 100% of the taxpayer's actual
23 liability for the quarter monthly reporting period. The amount
24 of such quarter monthly payments shall be credited against the
25 final tax liability of the taxpayer's return for that month.
26 Before October 1, 2000, once applicable, the requirement of

1 the making of quarter monthly payments to the Department by
2 taxpayers having an average monthly tax liability of \$10,000
3 or more as determined in the manner provided above shall
4 continue until such taxpayer's average monthly liability to
5 the Department during the preceding 4 complete calendar
6 quarters (excluding the month of highest liability and the
7 month of lowest liability) is less than \$9,000, or until such
8 taxpayer's average monthly liability to the Department as
9 computed for each calendar quarter of the 4 preceding complete
10 calendar quarter period is less than \$10,000. However, if a
11 taxpayer can show the Department that a substantial change in
12 the taxpayer's business has occurred which causes the taxpayer
13 to anticipate that his average monthly tax liability for the
14 reasonably foreseeable future will fall below the \$10,000
15 threshold stated above, then such taxpayer may petition the
16 Department for a change in such taxpayer's reporting status.
17 On and after October 1, 2000, once applicable, the requirement
18 of the making of quarter monthly payments to the Department by
19 taxpayers having an average monthly tax liability of \$20,000
20 or more as determined in the manner provided above shall
21 continue until such taxpayer's average monthly liability to
22 the Department during the preceding 4 complete calendar
23 quarters (excluding the month of highest liability and the
24 month of lowest liability) is less than \$19,000 or until such
25 taxpayer's average monthly liability to the Department as
26 computed for each calendar quarter of the 4 preceding complete

1 calendar quarter period is less than \$20,000. However, if a
2 taxpayer can show the Department that a substantial change in
3 the taxpayer's business has occurred which causes the taxpayer
4 to anticipate that his average monthly tax liability for the
5 reasonably foreseeable future will fall below the \$20,000
6 threshold stated above, then such taxpayer may petition the
7 Department for a change in such taxpayer's reporting status.
8 The Department shall change such taxpayer's reporting status
9 unless it finds that such change is seasonal in nature and not
10 likely to be long term. Quarter monthly payment status shall
11 be determined under this paragraph as if the rate reduction to
12 0% in this amendatory Act of the 102nd General Assembly on food
13 for human consumption that is to be consumed off the premises
14 where it is sold (other than alcoholic beverages, food
15 consisting of or infused with adult use cannabis, soft drinks,
16 and food that has been prepared for immediate consumption) had
17 not occurred. For quarter monthly payments due under this
18 paragraph on or after July 1, 2023 and through June 30, 2024,
19 "25% of the taxpayer's liability for the same calendar month
20 of the preceding year" shall be determined as if the rate
21 reduction to 0% in this amendatory Act of the 102nd General
22 Assembly had not occurred. If any such quarter monthly payment
23 is not paid at the time or in the amount required by this
24 Section, then the taxpayer shall be liable for penalties and
25 interest on the difference between the minimum amount due as a
26 payment and the amount of such quarter monthly payment

1 actually and timely paid, except insofar as the taxpayer has
2 previously made payments for that month to the Department in
3 excess of the minimum payments previously due as provided in
4 this Section. The Department shall make reasonable rules and
5 regulations to govern the quarter monthly payment amount and
6 quarter monthly payment dates for taxpayers who file on other
7 than a calendar monthly basis.

8 The provisions of this paragraph apply before October 1,
9 2001. Without regard to whether a taxpayer is required to make
10 quarter monthly payments as specified above, any taxpayer who
11 is required by Section 2d of this Act to collect and remit
12 prepaid taxes and has collected prepaid taxes which average in
13 excess of \$25,000 per month during the preceding 2 complete
14 calendar quarters, shall file a return with the Department as
15 required by Section 2f and shall make payments to the
16 Department on or before the 7th, 15th, 22nd and last day of the
17 month during which such liability is incurred. If the month
18 during which such tax liability is incurred began prior to
19 September 1, 1985 (the effective date of Public Act 84-221),
20 each payment shall be in an amount not less than 22.5% of the
21 taxpayer's actual liability under Section 2d. If the month
22 during which such tax liability is incurred begins on or after
23 January 1, 1986, each payment shall be in an amount equal to
24 22.5% of the taxpayer's actual liability for the month or
25 27.5% of the taxpayer's liability for the same calendar month
26 of the preceding calendar year. If the month during which such

1 tax liability is incurred begins on or after January 1, 1987,
2 each payment shall be in an amount equal to 22.5% of the
3 taxpayer's actual liability for the month or 26.25% of the
4 taxpayer's liability for the same calendar month of the
5 preceding year. The amount of such quarter monthly payments
6 shall be credited against the final tax liability of the
7 taxpayer's return for that month filed under this Section or
8 Section 2f, as the case may be. Once applicable, the
9 requirement of the making of quarter monthly payments to the
10 Department pursuant to this paragraph shall continue until
11 such taxpayer's average monthly prepaid tax collections during
12 the preceding 2 complete calendar quarters is \$25,000 or less.
13 If any such quarter monthly payment is not paid at the time or
14 in the amount required, the taxpayer shall be liable for
15 penalties and interest on such difference, except insofar as
16 the taxpayer has previously made payments for that month in
17 excess of the minimum payments previously due.

18 The provisions of this paragraph apply on and after
19 October 1, 2001. Without regard to whether a taxpayer is
20 required to make quarter monthly payments as specified above,
21 any taxpayer who is required by Section 2d of this Act to
22 collect and remit prepaid taxes and has collected prepaid
23 taxes that average in excess of \$20,000 per month during the
24 preceding 4 complete calendar quarters shall file a return
25 with the Department as required by Section 2f and shall make
26 payments to the Department on or before the 7th, 15th, 22nd and

1 last day of the month during which the liability is incurred.
2 Each payment shall be in an amount equal to 22.5% of the
3 taxpayer's actual liability for the month or 25% of the
4 taxpayer's liability for the same calendar month of the
5 preceding year. The amount of the quarter monthly payments
6 shall be credited against the final tax liability of the
7 taxpayer's return for that month filed under this Section or
8 Section 2f, as the case may be. Once applicable, the
9 requirement of the making of quarter monthly payments to the
10 Department pursuant to this paragraph shall continue until the
11 taxpayer's average monthly prepaid tax collections during the
12 preceding 4 complete calendar quarters (excluding the month of
13 highest liability and the month of lowest liability) is less
14 than \$19,000 or until such taxpayer's average monthly
15 liability to the Department as computed for each calendar
16 quarter of the 4 preceding complete calendar quarters is less
17 than \$20,000. If any such quarter monthly payment is not paid
18 at the time or in the amount required, the taxpayer shall be
19 liable for penalties and interest on such difference, except
20 insofar as the taxpayer has previously made payments for that
21 month in excess of the minimum payments previously due.

22 If any payment provided for in this Section exceeds the
23 taxpayer's liabilities under this Act, the Use Tax Act, the
24 Service Occupation Tax Act and the Service Use Tax Act, as
25 shown on an original monthly return, the Department shall, if
26 requested by the taxpayer, issue to the taxpayer a credit

1 memorandum no later than 30 days after the date of payment. The
2 credit evidenced by such credit memorandum may be assigned by
3 the taxpayer to a similar taxpayer under this Act, the Use Tax
4 Act, the Service Occupation Tax Act or the Service Use Tax Act,
5 in accordance with reasonable rules and regulations to be
6 prescribed by the Department. If no such request is made, the
7 taxpayer may credit such excess payment against tax liability
8 subsequently to be remitted to the Department under this Act,
9 the Use Tax Act, the Service Occupation Tax Act or the Service
10 Use Tax Act, in accordance with reasonable rules and
11 regulations prescribed by the Department. If the Department
12 subsequently determined that all or any part of the credit
13 taken was not actually due to the taxpayer, the taxpayer's
14 2.1% and 1.75% vendor's discount shall be reduced by 2.1% or
15 1.75% of the difference between the credit taken and that
16 actually due, and that taxpayer shall be liable for penalties
17 and interest on such difference.

18 If a retailer of motor fuel is entitled to a credit under
19 Section 2d of this Act which exceeds the taxpayer's liability
20 to the Department under this Act for the month for which the
21 taxpayer is filing a return, the Department shall issue the
22 taxpayer a credit memorandum for the excess.

23 Beginning January 1, 1990, each month the Department shall
24 pay into the Local Government Tax Fund, a special fund in the
25 State treasury which is hereby created, the net revenue
26 realized for the preceding month from the 1% tax imposed under

1 this Act.

2 Beginning January 1, 1990, each month the Department shall
3 pay into the County and Mass Transit District Fund, a special
4 fund in the State treasury which is hereby created, 4% of the
5 net revenue realized for the preceding month from the 6.25%
6 general rate other than aviation fuel sold on or after
7 December 1, 2019. This exception for aviation fuel only
8 applies for so long as the revenue use requirements of 49
9 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State.

10 Beginning August 1, 2000, each month the Department shall
11 pay into the County and Mass Transit District Fund 20% of the
12 net revenue realized for the preceding month from the 1.25%
13 rate on the selling price of motor fuel and gasohol. Beginning
14 September 1, 2010, each month the Department shall pay into
15 the County and Mass Transit District Fund 20% of the net
16 revenue realized for the preceding month from the 1.25% rate
17 on the selling price of sales tax holiday items.

18 Beginning January 1, 1990, each month the Department shall
19 pay into the Local Government Tax Fund 16% of the net revenue
20 realized for the preceding month from the 6.25% general rate
21 on the selling price of tangible personal property other than
22 aviation fuel sold on or after December 1, 2019. This
23 exception for aviation fuel only applies for so long as the
24 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
25 47133 are binding on the State.

26 For aviation fuel sold on or after December 1, 2019, each

1 month the Department shall pay into the State Aviation Program
2 Fund 20% of the net revenue realized for the preceding month
3 from the 6.25% general rate on the selling price of aviation
4 fuel, less an amount estimated by the Department to be
5 required for refunds of the 20% portion of the tax on aviation
6 fuel under this Act, which amount shall be deposited into the
7 Aviation Fuel Sales Tax Refund Fund. The Department shall only
8 pay moneys into the State Aviation Program Fund and the
9 Aviation Fuel Sales Tax Refund Fund under this Act for so long
10 as the revenue use requirements of 49 U.S.C. 47107(b) and 49
11 U.S.C. 47133 are binding on the State.

12 Beginning August 1, 2000, each month the Department shall
13 pay into the Local Government Tax Fund 80% of the net revenue
14 realized for the preceding month from the 1.25% rate on the
15 selling price of motor fuel and gasohol. Beginning September
16 1, 2010, each month the Department shall pay into the Local
17 Government Tax Fund 80% of the net revenue realized for the
18 preceding month from the 1.25% rate on the selling price of
19 sales tax holiday items.

20 Beginning October 1, 2009, each month the Department shall
21 pay into the Capital Projects Fund an amount that is equal to
22 an amount estimated by the Department to represent 80% of the
23 net revenue realized for the preceding month from the sale of
24 candy, grooming and hygiene products, and soft drinks that had
25 been taxed at a rate of 1% prior to September 1, 2009 but that
26 are now taxed at 6.25%.

1 Beginning July 1, 2011, each month the Department shall
2 pay into the Clean Air Act Permit Fund 80% of the net revenue
3 realized for the preceding month from the 6.25% general rate
4 on the selling price of sorbents used in Illinois in the
5 process of sorbent injection as used to comply with the
6 Environmental Protection Act or the federal Clean Air Act, but
7 the total payment into the Clean Air Act Permit Fund under this
8 Act and the Use Tax Act shall not exceed \$2,000,000 in any
9 fiscal year.

10 Beginning July 1, 2013, each month the Department shall
11 pay into the Underground Storage Tank Fund from the proceeds
12 collected under this Act, the Use Tax Act, the Service Use Tax
13 Act, and the Service Occupation Tax Act an amount equal to the
14 average monthly deficit in the Underground Storage Tank Fund
15 during the prior year, as certified annually by the Illinois
16 Environmental Protection Agency, but the total payment into
17 the Underground Storage Tank Fund under this Act, the Use Tax
18 Act, the Service Use Tax Act, and the Service Occupation Tax
19 Act shall not exceed \$18,000,000 in any State fiscal year. As
20 used in this paragraph, the "average monthly deficit" shall be
21 equal to the difference between the average monthly claims for
22 payment by the fund and the average monthly revenues deposited
23 into the fund, excluding payments made pursuant to this
24 paragraph.

25 Beginning July 1, 2015, of the remainder of the moneys
26 received by the Department under the Use Tax Act, the Service

1 Use Tax Act, the Service Occupation Tax Act, and this Act, each
2 month the Department shall deposit \$500,000 into the State
3 Crime Laboratory Fund.

4 Of the remainder of the moneys received by the Department
5 pursuant to this Act, (a) 1.75% thereof shall be paid into the
6 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
7 and after July 1, 1989, 3.8% thereof shall be paid into the
8 Build Illinois Fund; provided, however, that if in any fiscal
9 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case
10 may be, of the moneys received by the Department and required
11 to be paid into the Build Illinois Fund pursuant to this Act,
12 Section 9 of the Use Tax Act, Section 9 of the Service Use Tax
13 Act, and Section 9 of the Service Occupation Tax Act, such Acts
14 being hereinafter called the "Tax Acts" and such aggregate of
15 2.2% or 3.8%, as the case may be, of moneys being hereinafter
16 called the "Tax Act Amount", and (2) the amount transferred to
17 the Build Illinois Fund from the State and Local Sales Tax
18 Reform Fund shall be less than the Annual Specified Amount (as
19 hereinafter defined), an amount equal to the difference shall
20 be immediately paid into the Build Illinois Fund from other
21 moneys received by the Department pursuant to the Tax Acts;
22 the "Annual Specified Amount" means the amounts specified
23 below for fiscal years 1986 through 1993:

Fiscal Year	Annual Specified Amount
1986	\$54,800,000
1987	\$76,650,000

1	1988	\$80,480,000
2	1989	\$88,510,000
3	1990	\$115,330,000
4	1991	\$145,470,000
5	1992	\$182,730,000
6	1993	\$206,520,000;

7 and means the Certified Annual Debt Service Requirement (as
8 defined in Section 13 of the Build Illinois Bond Act) or the
9 Tax Act Amount, whichever is greater, for fiscal year 1994 and
10 each fiscal year thereafter; and further provided, that if on
11 the last business day of any month the sum of (1) the Tax Act
12 Amount required to be deposited into the Build Illinois Bond
13 Account in the Build Illinois Fund during such month and (2)
14 the amount transferred to the Build Illinois Fund from the
15 State and Local Sales Tax Reform Fund shall have been less than
16 1/12 of the Annual Specified Amount, an amount equal to the
17 difference shall be immediately paid into the Build Illinois
18 Fund from other moneys received by the Department pursuant to
19 the Tax Acts; and, further provided, that in no event shall the
20 payments required under the preceding proviso result in
21 aggregate payments into the Build Illinois Fund pursuant to
22 this clause (b) for any fiscal year in excess of the greater of
23 (i) the Tax Act Amount or (ii) the Annual Specified Amount for
24 such fiscal year. The amounts payable into the Build Illinois
25 Fund under clause (b) of the first sentence in this paragraph
26 shall be payable only until such time as the aggregate amount

1 on deposit under each trust indenture securing Bonds issued
2 and outstanding pursuant to the Build Illinois Bond Act is
3 sufficient, taking into account any future investment income,
4 to fully provide, in accordance with such indenture, for the
5 defeasance of or the payment of the principal of, premium, if
6 any, and interest on the Bonds secured by such indenture and on
7 any Bonds expected to be issued thereafter and all fees and
8 costs payable with respect thereto, all as certified by the
9 Director of the Bureau of the Budget (now Governor's Office of
10 Management and Budget). If on the last business day of any
11 month in which Bonds are outstanding pursuant to the Build
12 Illinois Bond Act, the aggregate of moneys deposited in the
13 Build Illinois Bond Account in the Build Illinois Fund in such
14 month shall be less than the amount required to be transferred
15 in such month from the Build Illinois Bond Account to the Build
16 Illinois Bond Retirement and Interest Fund pursuant to Section
17 13 of the Build Illinois Bond Act, an amount equal to such
18 deficiency shall be immediately paid from other moneys
19 received by the Department pursuant to the Tax Acts to the
20 Build Illinois Fund; provided, however, that any amounts paid
21 to the Build Illinois Fund in any fiscal year pursuant to this
22 sentence shall be deemed to constitute payments pursuant to
23 clause (b) of the first sentence of this paragraph and shall
24 reduce the amount otherwise payable for such fiscal year
25 pursuant to that clause (b). The moneys received by the
26 Department pursuant to this Act and required to be deposited

1 into the Build Illinois Fund are subject to the pledge, claim
2 and charge set forth in Section 12 of the Build Illinois Bond
3 Act.

4 Subject to payment of amounts into the Build Illinois Fund
5 as provided in the preceding paragraph or in any amendment
6 thereto hereafter enacted, the following specified monthly
7 installment of the amount requested in the certificate of the
8 Chairman of the Metropolitan Pier and Exposition Authority
9 provided under Section 8.25f of the State Finance Act, but not
10 in excess of sums designated as "Total Deposit", shall be
11 deposited in the aggregate from collections under Section 9 of
12 the Use Tax Act, Section 9 of the Service Use Tax Act, Section
13 9 of the Service Occupation Tax Act, and Section 3 of the
14 Retailers' Occupation Tax Act into the McCormick Place
15 Expansion Project Fund in the specified fiscal years.

16	Fiscal Year	Total Deposit
17	1993	\$0
18	1994	53,000,000
19	1995	58,000,000
20	1996	61,000,000
21	1997	64,000,000
22	1998	68,000,000
23	1999	71,000,000
24	2000	75,000,000
25	2001	80,000,000
26	2002	93,000,000

1	2003	99,000,000
2	2004	103,000,000
3	2005	108,000,000
4	2006	113,000,000
5	2007	119,000,000
6	2008	126,000,000
7	2009	132,000,000
8	2010	139,000,000
9	2011	146,000,000
10	2012	153,000,000
11	2013	161,000,000
12	2014	170,000,000
13	2015	179,000,000
14	2016	189,000,000
15	2017	199,000,000
16	2018	210,000,000
17	2019	221,000,000
18	2020	233,000,000
19	2021	300,000,000
20	2022	300,000,000
21	2023	300,000,000
22	2024	300,000,000
23	2025	300,000,000
24	2026	300,000,000
25	2027	375,000,000
26	2028	375,000,000

1	2029	375,000,000
2	2030	375,000,000
3	2031	375,000,000
4	2032	375,000,000
5	2033	375,000,000
6	2034	375,000,000
7	2035	375,000,000
8	2036	450,000,000

9 and

10 each fiscal year
11 thereafter that bonds
12 are outstanding under
13 Section 13.2 of the
14 Metropolitan Pier and
15 Exposition Authority Act,
16 but not after fiscal year 2060.

17 Beginning July 20, 1993 and in each month of each fiscal
18 year thereafter, one-eighth of the amount requested in the
19 certificate of the Chairman of the Metropolitan Pier and
20 Exposition Authority for that fiscal year, less the amount
21 deposited into the McCormick Place Expansion Project Fund by
22 the State Treasurer in the respective month under subsection
23 (g) of Section 13 of the Metropolitan Pier and Exposition
24 Authority Act, plus cumulative deficiencies in the deposits
25 required under this Section for previous months and years,
26 shall be deposited into the McCormick Place Expansion Project

1 Fund, until the full amount requested for the fiscal year, but
2 not in excess of the amount specified above as "Total
3 Deposit", has been deposited.

4 Subject to payment of amounts into the Capital Projects
5 Fund, the Clean Air Act Permit Fund, the Build Illinois Fund,
6 and the McCormick Place Expansion Project Fund pursuant to the
7 preceding paragraphs or in any amendments thereto hereafter
8 enacted, for aviation fuel sold on or after December 1, 2019,
9 the Department shall each month deposit into the Aviation Fuel
10 Sales Tax Refund Fund an amount estimated by the Department to
11 be required for refunds of the 80% portion of the tax on
12 aviation fuel under this Act. The Department shall only
13 deposit moneys into the Aviation Fuel Sales Tax Refund Fund
14 under this paragraph for so long as the revenue use
15 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
16 binding on the State.

17 Subject to payment of amounts into the Build Illinois Fund
18 and the McCormick Place Expansion Project Fund pursuant to the
19 preceding paragraphs or in any amendments thereto hereafter
20 enacted, beginning July 1, 1993 and ending on September 30,
21 2013, the Department shall each month pay into the Illinois
22 Tax Increment Fund 0.27% of 80% of the net revenue realized for
23 the preceding month from the 6.25% general rate on the selling
24 price of tangible personal property.

25 Subject to payment of amounts into the Build Illinois Fund
26 and the McCormick Place Expansion Project Fund pursuant to the

1 preceding paragraphs or in any amendments thereto hereafter
2 enacted, beginning with the receipt of the first report of
3 taxes paid by an eligible business and continuing for a
4 25-year period, the Department shall each month pay into the
5 Energy Infrastructure Fund 80% of the net revenue realized
6 from the 6.25% general rate on the selling price of
7 Illinois-mined coal that was sold to an eligible business. For
8 purposes of this paragraph, the term "eligible business" means
9 a new electric generating facility certified pursuant to
10 Section 605-332 of the Department of Commerce and Economic
11 Opportunity Law of the Civil Administrative Code of Illinois.

12 Subject to payment of amounts into the Build Illinois
13 Fund, the McCormick Place Expansion Project Fund, the Illinois
14 Tax Increment Fund, and the Energy Infrastructure Fund
15 pursuant to the preceding paragraphs or in any amendments to
16 this Section hereafter enacted, beginning on the first day of
17 the first calendar month to occur on or after August 26, 2014
18 (the effective date of Public Act 98-1098), each month, from
19 the collections made under Section 9 of the Use Tax Act,
20 Section 9 of the Service Use Tax Act, Section 9 of the Service
21 Occupation Tax Act, and Section 3 of the Retailers' Occupation
22 Tax Act, the Department shall pay into the Tax Compliance and
23 Administration Fund, to be used, subject to appropriation, to
24 fund additional auditors and compliance personnel at the
25 Department of Revenue, an amount equal to 1/12 of 5% of 80% of
26 the cash receipts collected during the preceding fiscal year

1 by the Audit Bureau of the Department under the Use Tax Act,
2 the Service Use Tax Act, the Service Occupation Tax Act, the
3 Retailers' Occupation Tax Act, and associated local occupation
4 and use taxes administered by the Department.

5 Subject to payments of amounts into the Build Illinois
6 Fund, the McCormick Place Expansion Project Fund, the Illinois
7 Tax Increment Fund, the Energy Infrastructure Fund, and the
8 Tax Compliance and Administration Fund as provided in this
9 Section, beginning on July 1, 2018 the Department shall pay
10 each month into the Downstate Public Transportation Fund the
11 moneys required to be so paid under Section 2-3 of the
12 Downstate Public Transportation Act.

13 Subject to successful execution and delivery of a
14 public-private agreement between the public agency and private
15 entity and completion of the civic build, beginning on July 1,
16 2023, of the remainder of the moneys received by the
17 Department under the Use Tax Act, the Service Use Tax Act, the
18 Service Occupation Tax Act, and this Act, the Department shall
19 deposit the following specified deposits in the aggregate from
20 collections under the Use Tax Act, the Service Use Tax Act, the
21 Service Occupation Tax Act, and the Retailers' Occupation Tax
22 Act, as required under Section 8.25g of the State Finance Act
23 for distribution consistent with the Public-Private
24 Partnership for Civic and Transit Infrastructure Project Act.
25 The moneys received by the Department pursuant to this Act and
26 required to be deposited into the Civic and Transit

1 Infrastructure Fund are subject to the pledge, claim and
 2 charge set forth in Section 25-55 of the Public-Private
 3 Partnership for Civic and Transit Infrastructure Project Act.
 4 As used in this paragraph, "civic build", "private entity",
 5 "public-private agreement", and "public agency" have the
 6 meanings provided in Section 25-10 of the Public-Private
 7 Partnership for Civic and Transit Infrastructure Project Act.

8	Fiscal Year.....	Total Deposit
9	2024	\$200,000,000
10	2025	\$206,000,000
11	2026	\$212,200,000
12	2027	\$218,500,000
13	2028	\$225,100,000
14	2029	\$288,700,000
15	2030	\$298,900,000
16	2031	\$309,300,000
17	2032	\$320,100,000
18	2033	\$331,200,000
19	2034	\$341,200,000
20	2035	\$351,400,000
21	2036	\$361,900,000
22	2037	\$372,800,000
23	2038	\$384,000,000
24	2039	\$395,500,000
25	2040	\$407,400,000
26	2041	\$419,600,000

1 2042 \$432,200,000

2 2043 \$445,100,000

3 Beginning July 1, 2021 and until July 1, 2022, subject to
4 the payment of amounts into the County and Mass Transit
5 District Fund, the Local Government Tax Fund, the Build
6 Illinois Fund, the McCormick Place Expansion Project Fund, the
7 Illinois Tax Increment Fund, the Energy Infrastructure Fund,
8 and the Tax Compliance and Administration Fund as provided in
9 this Section, the Department shall pay each month into the
10 Road Fund the amount estimated to represent 16% of the net
11 revenue realized from the taxes imposed on motor fuel and
12 gasohol. Beginning July 1, 2022 and until July 1, 2023,
13 subject to the payment of amounts into the County and Mass
14 Transit District Fund, the Local Government Tax Fund, the
15 Build Illinois Fund, the McCormick Place Expansion Project
16 Fund, the Illinois Tax Increment Fund, the Energy
17 Infrastructure Fund, and the Tax Compliance and Administration
18 Fund as provided in this Section, the Department shall pay
19 each month into the Road Fund the amount estimated to
20 represent 32% of the net revenue realized from the taxes
21 imposed on motor fuel and gasohol. Beginning July 1, 2023 and
22 until July 1, 2024, subject to the payment of amounts into the
23 County and Mass Transit District Fund, the Local Government
24 Tax Fund, the Build Illinois Fund, the McCormick Place
25 Expansion Project Fund, the Illinois Tax Increment Fund, the
26 Energy Infrastructure Fund, and the Tax Compliance and

1 Administration Fund as provided in this Section, the
2 Department shall pay each month into the Road Fund the amount
3 estimated to represent 48% of the net revenue realized from
4 the taxes imposed on motor fuel and gasohol. Beginning July 1,
5 2024 and until July 1, 2025, subject to the payment of amounts
6 into the County and Mass Transit District Fund, the Local
7 Government Tax Fund, the Build Illinois Fund, the McCormick
8 Place Expansion Project Fund, the Illinois Tax Increment Fund,
9 the Energy Infrastructure Fund, and the Tax Compliance and
10 Administration Fund as provided in this Section, the
11 Department shall pay each month into the Road Fund the amount
12 estimated to represent 64% of the net revenue realized from
13 the taxes imposed on motor fuel and gasohol. Beginning on July
14 1, 2025, subject to the payment of amounts into the County and
15 Mass Transit District Fund, the Local Government Tax Fund, the
16 Build Illinois Fund, the McCormick Place Expansion Project
17 Fund, the Illinois Tax Increment Fund, the Energy
18 Infrastructure Fund, and the Tax Compliance and Administration
19 Fund as provided in this Section, the Department shall pay
20 each month into the Road Fund the amount estimated to
21 represent 80% of the net revenue realized from the taxes
22 imposed on motor fuel and gasohol. As used in this paragraph
23 "motor fuel" has the meaning given to that term in Section 1.1
24 of the Motor Fuel Tax ~~Law Act~~, and "gasohol" has the meaning
25 given to that term in Section 3-40 of the Use Tax Act.

26 Of the remainder of the moneys received by the Department

1 pursuant to this Act, 75% thereof shall be paid into the State
2 Treasury and 25% shall be reserved in a special account and
3 used only for the transfer to the Common School Fund as part of
4 the monthly transfer from the General Revenue Fund in
5 accordance with Section 8a of the State Finance Act.

6 The Department may, upon separate written notice to a
7 taxpayer, require the taxpayer to prepare and file with the
8 Department on a form prescribed by the Department within not
9 less than 60 days after receipt of the notice an annual
10 information return for the tax year specified in the notice.
11 Such annual return to the Department shall include a statement
12 of gross receipts as shown by the retailer's last Federal
13 income tax return. If the total receipts of the business as
14 reported in the Federal income tax return do not agree with the
15 gross receipts reported to the Department of Revenue for the
16 same period, the retailer shall attach to his annual return a
17 schedule showing a reconciliation of the 2 amounts and the
18 reasons for the difference. The retailer's annual return to
19 the Department shall also disclose the cost of goods sold by
20 the retailer during the year covered by such return, opening
21 and closing inventories of such goods for such year, costs of
22 goods used from stock or taken from stock and given away by the
23 retailer during such year, payroll information of the
24 retailer's business during such year and any additional
25 reasonable information which the Department deems would be
26 helpful in determining the accuracy of the monthly, quarterly

1 or annual returns filed by such retailer as provided for in
2 this Section.

3 If the annual information return required by this Section
4 is not filed when and as required, the taxpayer shall be liable
5 as follows:

6 (i) Until January 1, 1994, the taxpayer shall be
7 liable for a penalty equal to 1/6 of 1% of the tax due from
8 such taxpayer under this Act during the period to be
9 covered by the annual return for each month or fraction of
10 a month until such return is filed as required, the
11 penalty to be assessed and collected in the same manner as
12 any other penalty provided for in this Act.

13 (ii) On and after January 1, 1994, the taxpayer shall
14 be liable for a penalty as described in Section 3-4 of the
15 Uniform Penalty and Interest Act.

16 The chief executive officer, proprietor, owner or highest
17 ranking manager shall sign the annual return to certify the
18 accuracy of the information contained therein. Any person who
19 willfully signs the annual return containing false or
20 inaccurate information shall be guilty of perjury and punished
21 accordingly. The annual return form prescribed by the
22 Department shall include a warning that the person signing the
23 return may be liable for perjury.

24 The provisions of this Section concerning the filing of an
25 annual information return do not apply to a retailer who is not
26 required to file an income tax return with the United States

1 Government.

2 As soon as possible after the first day of each month, upon
3 certification of the Department of Revenue, the Comptroller
4 shall order transferred and the Treasurer shall transfer from
5 the General Revenue Fund to the Motor Fuel Tax Fund an amount
6 equal to 1.7% of 80% of the net revenue realized under this Act
7 for the second preceding month. Beginning April 1, 2000, this
8 transfer is no longer required and shall not be made.

9 Net revenue realized for a month shall be the revenue
10 collected by the State pursuant to this Act, less the amount
11 paid out during that month as refunds to taxpayers for
12 overpayment of liability.

13 For greater simplicity of administration, manufacturers,
14 importers and wholesalers whose products are sold at retail in
15 Illinois by numerous retailers, and who wish to do so, may
16 assume the responsibility for accounting and paying to the
17 Department all tax accruing under this Act with respect to
18 such sales, if the retailers who are affected do not make
19 written objection to the Department to this arrangement.

20 Any person who promotes, organizes, provides retail
21 selling space for concessionaires or other types of sellers at
22 the Illinois State Fair, DuQuoin State Fair, county fairs,
23 local fairs, art shows, flea markets and similar exhibitions
24 or events, including any transient merchant as defined by
25 Section 2 of the Transient Merchant Act of 1987, is required to
26 file a report with the Department providing the name of the

1 merchant's business, the name of the person or persons engaged
2 in merchant's business, the permanent address and Illinois
3 Retailers Occupation Tax Registration Number of the merchant,
4 the dates and location of the event and other reasonable
5 information that the Department may require. The report must
6 be filed not later than the 20th day of the month next
7 following the month during which the event with retail sales
8 was held. Any person who fails to file a report required by
9 this Section commits a business offense and is subject to a
10 fine not to exceed \$250.

11 Any person engaged in the business of selling tangible
12 personal property at retail as a concessionaire or other type
13 of seller at the Illinois State Fair, county fairs, art shows,
14 flea markets and similar exhibitions or events, or any
15 transient merchants, as defined by Section 2 of the Transient
16 Merchant Act of 1987, may be required to make a daily report of
17 the amount of such sales to the Department and to make a daily
18 payment of the full amount of tax due. The Department shall
19 impose this requirement when it finds that there is a
20 significant risk of loss of revenue to the State at such an
21 exhibition or event. Such a finding shall be based on evidence
22 that a substantial number of concessionaires or other sellers
23 who are not residents of Illinois will be engaging in the
24 business of selling tangible personal property at retail at
25 the exhibition or event, or other evidence of a significant
26 risk of loss of revenue to the State. The Department shall

1 notify concessionaires and other sellers affected by the
2 imposition of this requirement. In the absence of notification
3 by the Department, the concessionaires and other sellers shall
4 file their returns as otherwise required in this Section.

5 (Source: P.A. 101-10, Article 15, Section 15-25, eff. 6-5-19;
6 101-10, Article 25, Section 25-120, eff. 6-5-19; 101-27, eff.
7 6-25-19; 101-32, eff. 6-28-19; 101-604, eff. 12-13-19;
8 101-636, eff. 6-10-20; 102-634, eff. 8-27-21; revised
9 12-7-21.)

10 Section 60-35. The Innovation Development and Economy Act
11 is amended by changing Sections 10 and 31 as follows:

12 (50 ILCS 470/10)

13 Sec. 10. Definitions. As used in this Act, the following
14 words and phrases shall have the following meanings unless a
15 different meaning clearly appears from the context:

16 "Base year" means the calendar year immediately prior to
17 the calendar year in which the STAR bond district is
18 established.

19 "Commence work" means the manifest commencement of actual
20 operations on the development site, such as, erecting a
21 building, general on-site and off-site grading and utility
22 installations, commencing design and construction
23 documentation, ordering lead-time materials, excavating the
24 ground to lay a foundation or a basement, or work of like

1 description which a reasonable person would recognize as being
2 done with the intention and purpose to continue work until the
3 project is completed.

4 "County" means the county in which a proposed STAR bond
5 district is located.

6 "De minimis" means an amount less than 15% of the land area
7 within a STAR bond district.

8 "Department of Revenue" means the Department of Revenue of
9 the State of Illinois.

10 "Destination user" means an owner, operator, licensee,
11 co-developer, subdeveloper, or tenant (i) that operates a
12 business within a STAR bond district that is a retail store
13 having at least 150,000 square feet of sales floor area; (ii)
14 that at the time of opening does not have another Illinois
15 location within a 70 mile radius; (iii) that has an annual
16 average of not less than 30% of customers who travel from at
17 least 75 miles away or from out-of-state, as demonstrated by
18 data from a comparable existing store or stores, or, if there
19 is no comparable existing store, as demonstrated by an
20 economic analysis that shows that the proposed retailer will
21 have an annual average of not less than 30% of customers who
22 travel from at least 75 miles away or from out-of-state; and
23 (iv) that makes an initial capital investment, including
24 project costs and other direct costs, of not less than
25 \$30,000,000 for such retail store.

26 "Destination hotel" means a hotel (as that term is defined

1 in Section 2 of the Hotel Operators' Occupation Tax Act)
2 complex having at least 150 guest rooms and which also
3 includes a venue for entertainment attractions, rides, or
4 other activities oriented toward the entertainment and
5 amusement of its guests and other patrons.

6 "Developer" means any individual, corporation, trust,
7 estate, partnership, limited liability partnership, limited
8 liability company, or other entity. The term does not include
9 a not-for-profit entity, political subdivision, or other
10 agency or instrumentality of the State.

11 "Director" means the Director of Revenue, who shall
12 consult with the Director of Commerce and Economic Opportunity
13 in any approvals or decisions required by the Director under
14 this Act.

15 "Economic impact study" means a study conducted by an
16 independent economist to project the financial benefit of the
17 proposed STAR bond project to the local, regional, and State
18 economies, consider the proposed adverse impacts on similar
19 projects and businesses, as well as municipalities within the
20 projected market area, and draw conclusions about the net
21 effect of the proposed STAR bond project on the local,
22 regional, and State economies. A copy of the economic impact
23 study shall be provided to the Director for review.

24 "Eligible area" means any improved or vacant area that (i)
25 is contiguous and is not, in the aggregate, less than 250 acres
26 nor more than 500 acres which must include only parcels of real

1 property directly and substantially benefited by the proposed
2 STAR bond district plan, (ii) is adjacent to a federal
3 interstate highway, (iii) is within one mile of 2 State
4 highways, (iv) is within one mile of an entertainment user, or
5 a major or minor league sports stadium or other similar
6 entertainment venue that had an initial capital investment of
7 at least \$20,000,000, and (v) includes land that was
8 previously surface or strip mined. The area may be bisected by
9 streets, highways, roads, alleys, railways, bike paths,
10 streams, rivers, and other waterways and still be deemed
11 contiguous. In addition, in order to constitute an eligible
12 area one of the following requirements must be satisfied and
13 all of which are subject to the review and approval of the
14 Director as provided in subsection (d) of Section 15:

15 (a) the governing body of the political subdivision
16 shall have determined that the area meets the requirements
17 of a "blighted area" as defined under the Tax Increment
18 Allocation Redevelopment Act; or

19 (b) the governing body of the political subdivision
20 shall have determined that the area is a blighted area as
21 determined under the provisions of Section 11-74.3-5 of
22 the Illinois Municipal Code; or

23 (c) the governing body of the political subdivision
24 shall make the following findings:

25 (i) that the vacant portions of the area have
26 remained vacant for at least one year, or that any

1 building located on a vacant portion of the property
2 was demolished within the last year and that the
3 building would have qualified under item (ii) of this
4 subsection;

5 (ii) if portions of the area are currently
6 developed, that the use, condition, and character of
7 the buildings on the property are not consistent with
8 the purposes set forth in Section 5;

9 (iii) that the STAR bond district is expected to
10 create or retain job opportunities within the
11 political subdivision;

12 (iv) that the STAR bond district will serve to
13 further the development of adjacent areas;

14 (v) that without the availability of STAR bonds,
15 the projects described in the STAR bond district plan
16 would not be possible;

17 (vi) that the master developer meets high
18 standards of creditworthiness and financial strength
19 as demonstrated by one or more of the following: (i)
20 corporate debenture ratings of BBB or higher by
21 Standard & Poor's Corporation or Baa or higher by
22 Moody's Investors Service, Inc.; (ii) a letter from a
23 financial institution with assets of \$10,000,000 or
24 more attesting to the financial strength of the master
25 developer; or (iii) specific evidence of equity
26 financing for not less than 10% of the estimated total

1 STAR bond project costs;

2 (vii) that the STAR bond district will strengthen
3 the commercial sector of the political subdivision;

4 (viii) that the STAR bond district will enhance
5 the tax base of the political subdivision; and

6 (ix) that the formation of a STAR bond district is
7 in the best interest of the political subdivision.

8 "Entertainment user" means an owner, operator, licensee,
9 co-developer, subdeveloper, or tenant that operates a business
10 within a STAR bond district that has a primary use of providing
11 a venue for entertainment attractions, rides, or other
12 activities oriented toward the entertainment and amusement of
13 its patrons, occupies at least 20 acres of land in the STAR
14 bond district, and makes an initial capital investment,
15 including project costs and other direct and indirect costs,
16 of not less than \$25,000,000 for that venue.

17 "Feasibility study" means a feasibility study as defined
18 in subsection (b) of Section 20.

19 "Infrastructure" means the public improvements and private
20 improvements that serve the public purposes set forth in
21 Section 5 of this Act and that benefit the STAR bond district
22 or any STAR bond projects, including, but not limited to,
23 streets, drives and driveways, traffic and directional signs
24 and signals, parking lots and parking facilities,
25 interchanges, highways, sidewalks, bridges, underpasses and
26 overpasses, bike and walking trails, sanitary storm sewers and

1 lift stations, drainage conduits, channels, levees, canals,
2 storm water detention and retention facilities, utilities and
3 utility connections, water mains and extensions, and street
4 and parking lot lighting and connections.

5 "Local sales taxes" means any locally-imposed taxes
6 received by a municipality, county, or other local
7 governmental entity arising from sales by retailers and
8 servicemen within a STAR bond district, including business
9 district sales taxes and STAR bond occupation taxes, and that
10 portion of the net revenue realized under the Retailers'
11 Occupation Tax Act, the Use Tax Act, the Service Use Tax Act,
12 and the Service Occupation Tax Act from transactions at places
13 of business located within a STAR bond district, including
14 that portion of the net revenue that would have been realized
15 but for the reduction of the rate to 0% under this amendatory
16 Act of the 102nd General Assembly, that is deposited or, under
17 this amendatory Act of the 102nd General Assembly, transferred
18 into the Local Government Tax Fund and the County and Mass
19 Transit District Fund. For the purpose of this Act, "local
20 sales taxes" does not include (i) any taxes authorized
21 pursuant to the Local Mass Transit District Act or the
22 Metro-East Park and Recreation District Act for so long as the
23 applicable taxing district does not impose a tax on real
24 property, (ii) county school facility and resources occupation
25 taxes imposed pursuant to Section 5-1006.7 of the Counties
26 Code, or (iii) any taxes authorized under the Flood Prevention

1 District Act.

2 "Local sales tax increment" means, except as otherwise
3 provided in this Section, with respect to local sales taxes
4 administered by the Illinois Department of Revenue, (i) all of
5 the local sales tax paid (plus all of the local sales tax that
6 would have been paid but for the reduction of the rate to 0%
7 under this amendatory Act of the 102nd General Assembly) by
8 destination users, destination hotels, and entertainment users
9 that is in excess of the local sales tax paid (plus all of the
10 local sales tax that would have been paid but for the reduction
11 of the rate to 0% under this amendatory Act of the 102nd
12 General Assembly) by destination users, destination hotels,
13 and entertainment users for the same month in the base year, as
14 determined by the Illinois Department of Revenue, (ii) in the
15 case of a municipality forming a STAR bond district that is
16 wholly within the corporate boundaries of the municipality and
17 in the case of a municipality and county forming a STAR bond
18 district that is only partially within such municipality, that
19 portion of the local sales tax paid (plus the local sales tax
20 that would have been paid but for the reduction of the rate to
21 0% under this amendatory Act of the 102nd General Assembly) by
22 taxpayers that are not destination users, destination hotels,
23 or entertainment users that is in excess of the local sales tax
24 paid (plus the local sales tax that would have been paid but
25 for the reduction of the rate to 0% under this amendatory Act
26 of the 102nd General Assembly) by taxpayers that are not

1 destination users, destination hotels, or entertainment users
2 for the same month in the base year, as determined by the
3 Illinois Department of Revenue, and (iii) in the case of a
4 county in which a STAR bond district is formed that is wholly
5 within a municipality, that portion of the local sales tax
6 paid by taxpayers that are not destination users, destination
7 hotels, or entertainment users that is in excess of the local
8 sales tax paid by taxpayers that are not destination users,
9 destination hotels, or entertainment users for the same month
10 in the base year, as determined by the Illinois Department of
11 Revenue, but only if the corporate authorities of the county
12 adopts an ordinance, and files a copy with the Department
13 within the same time frames as required for STAR bond
14 occupation taxes under Section 31, that designates the taxes
15 referenced in this clause (iii) as part of the local sales tax
16 increment under this Act. "Local sales tax increment" means,
17 with respect to local sales taxes administered by a
18 municipality, county, or other unit of local government, that
19 portion of the local sales tax that is in excess of the local
20 sales tax for the same month in the base year, as determined by
21 the respective municipality, county, or other unit of local
22 government. If any portion of local sales taxes are, at the
23 time of formation of a STAR bond district, already subject to
24 tax increment financing under the Tax Increment Allocation
25 Redevelopment Act, then the local sales tax increment for such
26 portion shall be frozen at the base year established in

1 accordance with this Act, and all future incremental increases
2 shall be included in the "local sales tax increment" under
3 this Act. Any party otherwise entitled to receipt of
4 incremental local sales tax revenues through an existing tax
5 increment financing district shall be entitled to continue to
6 receive such revenues up to the amount frozen in the base year.
7 Nothing in this Act shall affect the prior qualification of
8 existing redevelopment project costs incurred that are
9 eligible for reimbursement under the Tax Increment Allocation
10 Redevelopment Act. In such event, prior to approving a STAR
11 bond district, the political subdivision forming the STAR bond
12 district shall take such action as is necessary, including
13 amending the existing tax increment financing district
14 redevelopment plan, to carry out the provisions of this Act.
15 The Illinois Department of Revenue shall allocate the local
16 sales tax increment only if the local sales tax is
17 administered by the Department. "Local sales tax increment"
18 does not include taxes and penalties collected on aviation
19 fuel, as defined in Section 3 of the Retailers' Occupation
20 Tax, sold on or after December 1, 2019 and through December 31,
21 2020.

22 "Market study" means a study to determine the ability of
23 the proposed STAR bond project to gain market share locally
24 and regionally and to remain profitable past the term of
25 repayment of STAR bonds.

26 "Master developer" means a developer cooperating with a

1 political subdivision to plan, develop, and implement a STAR
2 bond project plan for a STAR bond district. Subject to the
3 limitations of Section 25, the master developer may work with
4 and transfer certain development rights to other developers
5 for the purpose of implementing STAR bond project plans and
6 achieving the purposes of this Act. A master developer for a
7 STAR bond district shall be appointed by a political
8 subdivision in the resolution establishing the STAR bond
9 district, and the master developer must, at the time of
10 appointment, own or have control of, through purchase
11 agreements, option contracts, or other means, not less than
12 50% of the acreage within the STAR bond district and the master
13 developer or its affiliate must have ownership or control on
14 June 1, 2010.

15 "Master development agreement" means an agreement between
16 the master developer and the political subdivision to govern a
17 STAR bond district and any STAR bond projects.

18 "Municipality" means the city, village, or incorporated
19 town in which a proposed STAR bond district is located.

20 "Pledged STAR revenues" means those sales tax and revenues
21 and other sources of funds pledged to pay debt service on STAR
22 bonds or to pay project costs pursuant to Section 30.
23 Notwithstanding any provision to the contrary, the following
24 revenues shall not constitute pledged STAR revenues or be
25 available to pay principal and interest on STAR bonds: any
26 State sales tax increment or local sales tax increment from a

1 retail entity initiating operations in a STAR bond district
2 while terminating operations at another Illinois location
3 within 25 miles of the STAR bond district. For purposes of this
4 paragraph, "terminating operations" means a closing of a
5 retail operation that is directly related to the opening of
6 the same operation or like retail entity owned or operated by
7 more than 50% of the original ownership in a STAR bond district
8 within one year before or after initiating operations in the
9 STAR bond district, but it does not mean closing an operation
10 for reasons beyond the control of the retail entity, as
11 documented by the retail entity, subject to a reasonable
12 finding by the municipality (or county if such retail
13 operation is not located within a municipality) in which the
14 terminated operations were located that the closed location
15 contained inadequate space, had become economically obsolete,
16 or was no longer a viable location for the retailer or
17 serviceman.

18 "Political subdivision" means a municipality or county
19 which undertakes to establish a STAR bond district pursuant to
20 the provisions of this Act.

21 "Project costs" means and includes the sum total of all
22 costs incurred or estimated to be incurred on or following the
23 date of establishment of a STAR bond district that are
24 reasonable or necessary to implement a STAR bond district plan
25 or any STAR bond project plans, or both, including costs
26 incurred for public improvements and private improvements that

1 serve the public purposes set forth in Section 5 of this Act.

2 Such costs include without limitation the following:

3 (a) costs of studies, surveys, development of plans
4 and specifications, formation, implementation, and
5 administration of a STAR bond district, STAR bond district
6 plan, any STAR bond projects, or any STAR bond project
7 plans, including, but not limited to, staff and
8 professional service costs for architectural, engineering,
9 legal, financial, planning, or other services, provided
10 however that no charges for professional services may be
11 based on a percentage of the tax increment collected and
12 no contracts for professional services, excluding
13 architectural and engineering services, may be entered
14 into if the terms of the contract extend beyond a period of
15 3 years;

16 (b) property assembly costs, including, but not
17 limited to, acquisition of land and other real property or
18 rights or interests therein, located within the boundaries
19 of a STAR bond district, demolition of buildings, site
20 preparation, site improvements that serve as an engineered
21 barrier addressing ground level or below ground
22 environmental contamination, including, but not limited
23 to, parking lots and other concrete or asphalt barriers,
24 the clearing and grading of land, and importing additional
25 soil and fill materials, or removal of soil and fill
26 materials from the site;

1 (c) subject to paragraph (d), costs of buildings and
2 other vertical improvements that are located within the
3 boundaries of a STAR bond district and owned by a
4 political subdivision or other public entity, including
5 without limitation police and fire stations, educational
6 facilities, and public restrooms and rest areas;

7 (c-1) costs of buildings and other vertical
8 improvements that are located within the boundaries of a
9 STAR bond district and owned by a destination user or
10 destination hotel; except that only 2 destination users in
11 a STAR bond district and one destination hotel are
12 eligible to include the cost of those vertical
13 improvements as project costs;

14 (c-5) costs of buildings; rides and attractions, which
15 include carousels, slides, roller coasters, displays,
16 models, towers, works of art, and similar theme and
17 amusement park improvements; and other vertical
18 improvements that are located within the boundaries of a
19 STAR bond district and owned by an entertainment user;
20 except that only one entertainment user in a STAR bond
21 district is eligible to include the cost of those vertical
22 improvements as project costs;

23 (d) costs of the design and construction of
24 infrastructure and public works located within the
25 boundaries of a STAR bond district that are reasonable or
26 necessary to implement a STAR bond district plan or any

1 STAR bond project plans, or both, except that project
2 costs shall not include the cost of constructing a new
3 municipal public building principally used to provide
4 offices, storage space, or conference facilities or
5 vehicle storage, maintenance, or repair for
6 administrative, public safety, or public works personnel
7 and that is not intended to replace an existing public
8 building unless the political subdivision makes a
9 reasonable determination in a STAR bond district plan or
10 any STAR bond project plans, supported by information that
11 provides the basis for that determination, that the new
12 municipal building is required to meet an increase in the
13 need for public safety purposes anticipated to result from
14 the implementation of the STAR bond district plan or any
15 STAR bond project plans;

16 (e) costs of the design and construction of the
17 following improvements located outside the boundaries of a
18 STAR bond district, provided that the costs are essential
19 to further the purpose and development of a STAR bond
20 district plan and either (i) part of and connected to
21 sewer, water, or utility service lines that physically
22 connect to the STAR bond district or (ii) significant
23 improvements for adjacent offsite highways, streets,
24 roadways, and interchanges that are approved by the
25 Illinois Department of Transportation. No other cost of
26 infrastructure and public works improvements located

1 outside the boundaries of a STAR bond district may be
2 deemed project costs;

3 (f) costs of job training and retraining projects,
4 including the cost of "welfare to work" programs
5 implemented by businesses located within a STAR bond
6 district;

7 (g) financing costs, including, but not limited to,
8 all necessary and incidental expenses related to the
9 issuance of obligations and which may include payment of
10 interest on any obligations issued hereunder including
11 interest accruing during the estimated period of
12 construction of any improvements in a STAR bond district
13 or any STAR bond projects for which such obligations are
14 issued and for not exceeding 36 months thereafter and
15 including reasonable reserves related thereto;

16 (h) to the extent the political subdivision by written
17 agreement accepts and approves the same, all or a portion
18 of a taxing district's capital costs resulting from a STAR
19 bond district or STAR bond projects necessarily incurred
20 or to be incurred within a taxing district in furtherance
21 of the objectives of a STAR bond district plan or STAR bond
22 project plans;

23 (i) interest cost incurred by a developer for project
24 costs related to the acquisition, formation,
25 implementation, development, construction, and
26 administration of a STAR bond district, STAR bond district

1 plan, STAR bond projects, or any STAR bond project plans
2 provided that:

3 (i) payment of such costs in any one year may not
4 exceed 30% of the annual interest costs incurred by
5 the developer with regard to the STAR bond district or
6 any STAR bond projects during that year; and

7 (ii) the total of such interest payments paid
8 pursuant to this Act may not exceed 30% of the total
9 cost paid or incurred by the developer for a STAR bond
10 district or STAR bond projects, plus project costs,
11 excluding any property assembly costs incurred by a
12 political subdivision pursuant to this Act;

13 (j) costs of common areas located within the
14 boundaries of a STAR bond district;

15 (k) costs of landscaping and plantings, retaining
16 walls and fences, man-made lakes and ponds, shelters,
17 benches, lighting, and similar amenities located within
18 the boundaries of a STAR bond district;

19 (l) costs of mounted building signs, site monument,
20 and pylon signs located within the boundaries of a STAR
21 bond district; or

22 (m) if included in the STAR bond district plan and
23 approved in writing by the Director, salaries or a portion
24 of salaries for local government employees to the extent
25 the same are directly attributable to the work of such
26 employees on the establishment and management of a STAR

1 bond district or any STAR bond projects.

2 Except as specified in items (a) through (m), "project
3 costs" shall not include:

4 (i) the cost of construction of buildings that are
5 privately owned or owned by a municipality and leased to a
6 developer or retail user for non-entertainment retail
7 uses;

8 (ii) moving expenses for employees of the businesses
9 locating within the STAR bond district;

10 (iii) property taxes for property located in the STAR
11 bond district;

12 (iv) lobbying costs; and

13 (v) general overhead or administrative costs of the
14 political subdivision that would still have been incurred
15 by the political subdivision if the political subdivision
16 had not established a STAR bond district.

17 "Project development agreement" means any one or more
18 agreements, including any amendments thereto, between a master
19 developer and any co-developer or subdeveloper in connection
20 with a STAR bond project, which project development agreement
21 may include the political subdivision as a party.

22 "Projected market area" means any area within the State in
23 which a STAR bond district or STAR bond project is projected to
24 have a significant fiscal or market impact as determined by
25 the Director.

26 "Resolution" means a resolution, order, ordinance, or

1 other appropriate form of legislative action of a political
2 subdivision or other applicable public entity approved by a
3 vote of a majority of a quorum at a meeting of the governing
4 body of the political subdivision or applicable public entity.

5 "STAR bond" means a sales tax and revenue bond, note, or
6 other obligation payable from pledged STAR revenues and issued
7 by a political subdivision, the proceeds of which shall be
8 used only to pay project costs as defined in this Act.

9 "STAR bond district" means the specific area declared to
10 be an eligible area as determined by the political
11 subdivision, and approved by the Director, in which the
12 political subdivision may develop one or more STAR bond
13 projects.

14 "STAR bond district plan" means the preliminary or
15 conceptual plan that generally identifies the proposed STAR
16 bond project areas and identifies in a general manner the
17 buildings, facilities, and improvements to be constructed or
18 improved in each STAR bond project area.

19 "STAR bond project" means a project within a STAR bond
20 district which is approved pursuant to Section 20.

21 "STAR bond project area" means the geographic area within
22 a STAR bond district in which there may be one or more STAR
23 bond projects.

24 "STAR bond project plan" means the written plan adopted by
25 a political subdivision for the development of a STAR bond
26 project in a STAR bond district; the plan may include, but is

1 not limited to, (i) project costs incurred prior to the date of
2 the STAR bond project plan and estimated future STAR bond
3 project costs, (ii) proposed sources of funds to pay those
4 costs, (iii) the nature and estimated term of any obligations
5 to be issued by the political subdivision to pay those costs,
6 (iv) the most recent equalized assessed valuation of the STAR
7 bond project area, (v) an estimate of the equalized assessed
8 valuation of the STAR bond district or applicable project area
9 after completion of a STAR bond project, (vi) a general
10 description of the types of any known or proposed developers,
11 users, or tenants of the STAR bond project or projects
12 included in the plan, (vii) a general description of the type,
13 structure, and character of the property or facilities to be
14 developed or improved, (viii) a description of the general
15 land uses to apply to the STAR bond project, and (ix) a general
16 description or an estimate of the type, class, and number of
17 employees to be employed in the operation of the STAR bond
18 project.

19 "State sales tax" means all of the net revenue realized
20 under the Retailers' Occupation Tax Act, the Use Tax Act, the
21 Service Use Tax Act, and the Service Occupation Tax Act from
22 transactions at places of business located within a STAR bond
23 district, excluding that portion of the net revenue realized
24 under the Retailers' Occupation Tax Act, the Use Tax Act, the
25 Service Use Tax Act, and the Service Occupation Tax Act from
26 transactions at places of business located within a STAR bond

1 district that is deposited into the Local Government Tax Fund
2 and the County and Mass Transit District Fund.

3 "State sales tax increment" means (i) 100% of that portion
4 of the State sales tax that is in excess of the State sales tax
5 for the same month in the base year, as determined by the
6 Department of Revenue, from transactions at up to 2
7 destination users, one destination hotel, and one
8 entertainment user located within a STAR bond district, which
9 destination users, destination hotel, and entertainment user
10 shall be designated by the master developer and approved by
11 the political subdivision and the Director in conjunction with
12 the applicable STAR bond project approval, and (ii) 25% of
13 that portion of the State sales tax that is in excess of the
14 State sales tax for the same month in the base year, as
15 determined by the Department of Revenue, from all other
16 transactions within a STAR bond district. If any portion of
17 State sales taxes are, at the time of formation of a STAR bond
18 district, already subject to tax increment financing under the
19 Tax Increment Allocation Redevelopment Act, then the State
20 sales tax increment for such portion shall be frozen at the
21 base year established in accordance with this Act, and all
22 future incremental increases shall be included in the State
23 sales tax increment under this Act. Any party otherwise
24 entitled to receipt of incremental State sales tax revenues
25 through an existing tax increment financing district shall be
26 entitled to continue to receive such revenues up to the amount

1 frozen in the base year. Nothing in this Act shall affect the
2 prior qualification of existing redevelopment project costs
3 incurred that are eligible for reimbursement under the Tax
4 Increment Allocation Redevelopment Act. In such event, prior
5 to approving a STAR bond district, the political subdivision
6 forming the STAR bond district shall take such action as is
7 necessary, including amending the existing tax increment
8 financing district redevelopment plan, to carry out the
9 provisions of this Act.

10 "Substantial change" means a change wherein the proposed
11 STAR bond project plan differs substantially in size, scope,
12 or use from the approved STAR bond district plan or STAR bond
13 project plan.

14 "Taxpayer" means an individual, partnership, corporation,
15 limited liability company, trust, estate, or other entity that
16 is subject to the Illinois Income Tax Act.

17 "Total development costs" means the aggregate public and
18 private investment in a STAR bond district, including project
19 costs and other direct and indirect costs related to the
20 development of the STAR bond district.

21 "Traditional retail use" means the operation of a business
22 that derives at least 90% of its annual gross revenue from
23 sales at retail, as that phrase is defined by Section 1 of the
24 Retailers' Occupation Tax Act, but does not include the
25 operations of destination users, entertainment users,
26 restaurants, hotels, retail uses within hotels, or any other

1 non-retail uses.

2 "Vacant" means that portion of the land in a proposed STAR
3 bond district that is not occupied by a building, facility, or
4 other vertical improvement.

5 (Source: P.A. 101-10, eff. 6-5-19; 101-455, eff. 8-23-19;
6 101-604, eff. 12-13-19.)

7 (50 ILCS 470/31)

8 Sec. 31. STAR bond occupation taxes.

9 (a) If the corporate authorities of a political
10 subdivision have established a STAR bond district and have
11 elected to impose a tax by ordinance pursuant to subsection
12 (b) or (c) of this Section, each year after the date of the
13 adoption of the ordinance and until all STAR bond project
14 costs and all political subdivision obligations financing the
15 STAR bond project costs, if any, have been paid in accordance
16 with the STAR bond project plans, but in no event longer than
17 the maximum maturity date of the last of the STAR bonds issued
18 for projects in the STAR bond district, all amounts generated
19 by the retailers' occupation tax and service occupation tax
20 shall be collected and the tax shall be enforced by the
21 Department of Revenue in the same manner as all retailers'
22 occupation taxes and service occupation taxes imposed in the
23 political subdivision imposing the tax. The corporate
24 authorities of the political subdivision shall deposit the
25 proceeds of the taxes imposed under subsections (b) and (c)

1 into either (i) a special fund held by the corporate
2 authorities of the political subdivision called the STAR Bonds
3 Tax Allocation Fund for the purpose of paying STAR bond
4 project costs and obligations incurred in the payment of those
5 costs if such taxes are designated as pledged STAR revenues by
6 resolution or ordinance of the political subdivision or (ii)
7 the political subdivision's general corporate fund if such
8 taxes are not designated as pledged STAR revenues by
9 resolution or ordinance.

10 The tax imposed under this Section by a municipality may
11 be imposed only on the portion of a STAR bond district that is
12 within the boundaries of the municipality. For any part of a
13 STAR bond district that lies outside of the boundaries of that
14 municipality, the municipality in which the other part of the
15 STAR bond district lies (or the county, in cases where a
16 portion of the STAR bond district lies in the unincorporated
17 area of a county) is authorized to impose the tax under this
18 Section on that part of the STAR bond district.

19 (b) The corporate authorities of a political subdivision
20 that has established a STAR bond district under this Act may,
21 by ordinance or resolution, impose a STAR Bond Retailers'
22 Occupation Tax upon all persons engaged in the business of
23 selling tangible personal property, other than an item of
24 tangible personal property titled or registered with an agency
25 of this State's government, at retail in the STAR bond
26 district at a rate not to exceed 1% of the gross receipts from

1 the sales made in the course of that business, to be imposed
2 only in 0.25% increments. The tax may not be imposed on
3 tangible personal property taxed at the 1% rate under the
4 Retailers' Occupation Tax Act (or at the 0% rate imposed under
5 this amendatory Act of the 102nd General Assembly). Beginning
6 December 1, 2019 and through December 31, 2020, this tax is not
7 imposed on sales of aviation fuel unless the tax revenue is
8 expended for airport-related purposes. If the District does
9 not have an airport-related purpose to which aviation fuel tax
10 revenue is dedicated, then aviation fuel is excluded from the
11 tax. The municipality must comply with the certification
12 requirements for airport-related purposes under Section 2-22
13 of the Retailers' Occupation Tax Act. For purposes of this
14 Act, "airport-related purposes" has the meaning ascribed in
15 Section 6z-20.2 of the State Finance Act. Beginning January 1,
16 2021, this tax is not imposed on sales of aviation fuel for so
17 long as the revenue use requirements of 49 U.S.C. 47107(b) and
18 49 U.S.C. 47133 are binding on the District.

19 The tax imposed under this subsection and all civil
20 penalties that may be assessed as an incident thereof shall be
21 collected and enforced by the Department of Revenue. The
22 certificate of registration that is issued by the Department
23 to a retailer under the Retailers' Occupation Tax Act shall
24 permit the retailer to engage in a business that is taxable
25 under any ordinance or resolution enacted pursuant to this
26 subsection without registering separately with the Department

1 under such ordinance or resolution or under this subsection.
2 The Department of Revenue shall have full power to administer
3 and enforce this subsection, to collect all taxes and
4 penalties due under this subsection in the manner hereinafter
5 provided, and to determine all rights to credit memoranda
6 arising on account of the erroneous payment of tax or penalty
7 under this subsection. In the administration of, and
8 compliance with, this subsection, the Department and persons
9 who are subject to this subsection shall have the same rights,
10 remedies, privileges, immunities, powers, and duties, and be
11 subject to the same conditions, restrictions, limitations,
12 penalties, exclusions, exemptions, and definitions of terms
13 and employ the same modes of procedure, as are prescribed in
14 Sections 1, 1a through 1o, 2 through 2-65 (in respect to all
15 provisions therein other than the State rate of tax), 2c
16 through 2h, 3 (except as to the disposition of taxes and
17 penalties collected, and except that the retailer's discount
18 is not allowed for taxes paid on aviation fuel that are subject
19 to the revenue use requirements of 49 U.S.C. 47107(b) and 49
20 U.S.C. 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 5k,
21 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 12, 13, and 14 of the
22 Retailers' Occupation Tax Act and all provisions of the
23 Uniform Penalty and Interest Act, as fully as if those
24 provisions were set forth herein.

25 If a tax is imposed under this subsection (b), a tax shall
26 also be imposed under subsection (c) of this Section.

1 (c) If a tax has been imposed under subsection (b), a STAR
2 Bond Service Occupation Tax shall also be imposed upon all
3 persons engaged, in the STAR bond district, in the business of
4 making sales of service, who, as an incident to making those
5 sales of service, transfer tangible personal property within
6 the STAR bond district, either in the form of tangible
7 personal property or in the form of real estate as an incident
8 to a sale of service. The tax shall be imposed at the same rate
9 as the tax imposed in subsection (b) and shall not exceed 1% of
10 the selling price of tangible personal property so transferred
11 within the STAR bond district, to be imposed only in 0.25%
12 increments. The tax may not be imposed on tangible personal
13 property taxed at the 1% rate under the Service Occupation Tax
14 Act (or at the 0% rate imposed under this amendatory Act of the
15 102nd General Assembly). Beginning December 1, 2019 and
16 through December 31, 2020, this tax is not imposed on sales of
17 aviation fuel unless the tax revenue is expended for
18 airport-related purposes. If the District does not have an
19 airport-related purpose to which aviation fuel tax revenue is
20 dedicated, then aviation fuel is excluded from the tax. The
21 municipality must comply with the certification requirements
22 for airport-related purposes under Section 2-22 of the
23 Retailers' Occupation Tax Act. For purposes of this Act,
24 "airport-related purposes" has the meaning ascribed in Section
25 6z-20.2 of the State Finance Act. Beginning January 1, 2021,
26 this tax is not imposed on sales of aviation fuel for so long

1 as the revenue use requirements of 49 U.S.C. 47107(b) and 49
2 U.S.C. 47133 are binding on the District.

3 The tax imposed under this subsection and all civil
4 penalties that may be assessed as an incident thereof shall be
5 collected and enforced by the Department of Revenue. The
6 certificate of registration that is issued by the Department
7 to a retailer under the Retailers' Occupation Tax Act or under
8 the Service Occupation Tax Act shall permit the registrant to
9 engage in a business that is taxable under any ordinance or
10 resolution enacted pursuant to this subsection without
11 registering separately with the Department under that
12 ordinance or resolution or under this subsection. The
13 Department of Revenue shall have full power to administer and
14 enforce this subsection, to collect all taxes and penalties
15 due under this subsection, to dispose of taxes and penalties
16 so collected in the manner hereinafter provided, and to
17 determine all rights to credit memoranda arising on account of
18 the erroneous payment of tax or penalty under this subsection.
19 In the administration of, and compliance with this subsection,
20 the Department and persons who are subject to this subsection
21 shall have the same rights, remedies, privileges, immunities,
22 powers, and duties, and be subject to the same conditions,
23 restrictions, limitations, penalties, exclusions, exemptions,
24 and definitions of terms and employ the same modes of
25 procedure as are prescribed in Sections 2, 2a through 2d, 3
26 through 3-50 (in respect to all provisions therein other than

1 the State rate of tax), 4 (except that the reference to the
2 State shall be to the STAR bond district), 5, 7, 8 (except that
3 the jurisdiction to which the tax shall be a debt to the extent
4 indicated in that Section 8 shall be the political
5 subdivision), 9 (except as to the disposition of taxes and
6 penalties collected, and except that the returned merchandise
7 credit for this tax may not be taken against any State tax, and
8 except that the retailer's discount is not allowed for taxes
9 paid on aviation fuel that are subject to the revenue use
10 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 10,
11 11, 12 (except the reference therein to Section 2b of the
12 Retailers' Occupation Tax Act), 13 (except that any reference
13 to the State shall mean the political subdivision), the first
14 paragraph of Section 15, and Sections 16, 17, 18, 19 and 20 of
15 the Service Occupation Tax Act and all provisions of the
16 Uniform Penalty and Interest Act, as fully as if those
17 provisions were set forth herein.

18 If a tax is imposed under this subsection (c), a tax shall
19 also be imposed under subsection (b) of this Section.

20 (d) Persons subject to any tax imposed under this Section
21 may reimburse themselves for their seller's tax liability
22 under this Section by separately stating the tax as an
23 additional charge, which charge may be stated in combination,
24 in a single amount, with State taxes that sellers are required
25 to collect under the Use Tax Act, in accordance with such
26 bracket schedules as the Department may prescribe.

1 Whenever the Department determines that a refund should be
2 made under this Section to a claimant instead of issuing a
3 credit memorandum, the Department shall notify the State
4 Comptroller, who shall cause the order to be drawn for the
5 amount specified and to the person named in the notification
6 from the Department. The refund shall be paid by the State
7 Treasurer out of the STAR Bond Retailers' Occupation Tax Fund
8 or the Local Government Aviation Trust Fund, as appropriate.

9 Except as otherwise provided in this paragraph, the
10 Department shall immediately pay over to the State Treasurer,
11 ex officio, as trustee, all taxes, penalties, and interest
12 collected under this Section for deposit into the STAR Bond
13 Retailers' Occupation Tax Fund. Taxes and penalties collected
14 on aviation fuel sold on or after December 1, 2019, shall be
15 immediately paid over by the Department to the State
16 Treasurer, ex officio, as trustee, for deposit into the Local
17 Government Aviation Trust Fund. The Department shall only pay
18 moneys into the Local Government Aviation Trust Fund under
19 this Section for so long as the revenue use requirements of 49
20 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
21 District. On or before the 25th day of each calendar month, the
22 Department shall prepare and certify to the Comptroller the
23 disbursement of stated sums of money to named political
24 subdivisions from the STAR Bond Retailers' Occupation Tax
25 Fund, the political subdivisions to be those from which
26 retailers have paid taxes or penalties under this Section to

1 the Department during the second preceding calendar month. The
2 amount to be paid to each political subdivision shall be the
3 amount (not including credit memoranda and not including taxes
4 and penalties collected on aviation fuel sold on or after
5 December 1, 2019) collected under this Section during the
6 second preceding calendar month by the Department plus an
7 amount the Department determines is necessary to offset any
8 amounts that were erroneously paid to a different taxing body,
9 and not including an amount equal to the amount of refunds made
10 during the second preceding calendar month by the Department,
11 less 3% of that amount, which shall be deposited into the Tax
12 Compliance and Administration Fund and shall be used by the
13 Department, subject to appropriation, to cover the costs of
14 the Department in administering and enforcing the provisions
15 of this Section, on behalf of such political subdivision, and
16 not including any amount that the Department determines is
17 necessary to offset any amounts that were payable to a
18 different taxing body but were erroneously paid to the
19 political subdivision. Within 10 days after receipt by the
20 Comptroller of the disbursement certification to the political
21 subdivisions provided for in this Section to be given to the
22 Comptroller by the Department, the Comptroller shall cause the
23 orders to be drawn for the respective amounts in accordance
24 with the directions contained in the certification. The
25 proceeds of the tax paid to political subdivisions under this
26 Section shall be deposited into either (i) the STAR Bonds Tax

1 Allocation Fund by the political subdivision if the political
2 subdivision has designated them as pledged STAR revenues by
3 resolution or ordinance or (ii) the political subdivision's
4 general corporate fund if the political subdivision has not
5 designated them as pledged STAR revenues.

6 An ordinance or resolution imposing or discontinuing the
7 tax under this Section or effecting a change in the rate
8 thereof shall either (i) be adopted and a certified copy
9 thereof filed with the Department on or before the first day of
10 April, whereupon the Department, if all other requirements of
11 this Section are met, shall proceed to administer and enforce
12 this Section as of the first day of July next following the
13 adoption and filing; or (ii) be adopted and a certified copy
14 thereof filed with the Department on or before the first day of
15 October, whereupon, if all other requirements of this Section
16 are met, the Department shall proceed to administer and
17 enforce this Section as of the first day of January next
18 following the adoption and filing.

19 The Department of Revenue shall not administer or enforce
20 an ordinance imposing, discontinuing, or changing the rate of
21 the tax under this Section until the political subdivision
22 also provides, in the manner prescribed by the Department, the
23 boundaries of the STAR bond district and each address in the
24 STAR bond district in such a way that the Department can
25 determine by its address whether a business is located in the
26 STAR bond district. The political subdivision must provide

1 this boundary and address information to the Department on or
2 before April 1 for administration and enforcement of the tax
3 under this Section by the Department beginning on the
4 following July 1 and on or before October 1 for administration
5 and enforcement of the tax under this Section by the
6 Department beginning on the following January 1. The
7 Department of Revenue shall not administer or enforce any
8 change made to the boundaries of a STAR bond district or any
9 address change, addition, or deletion until the political
10 subdivision reports the boundary change or address change,
11 addition, or deletion to the Department in the manner
12 prescribed by the Department. The political subdivision must
13 provide this boundary change or address change, addition, or
14 deletion information to the Department on or before April 1
15 for administration and enforcement by the Department of the
16 change, addition, or deletion beginning on the following July
17 1 and on or before October 1 for administration and
18 enforcement by the Department of the change, addition, or
19 deletion beginning on the following January 1. The retailers
20 in the STAR bond district shall be responsible for charging
21 the tax imposed under this Section. If a retailer is
22 incorrectly included or excluded from the list of those
23 required to collect the tax under this Section, both the
24 Department of Revenue and the retailer shall be held harmless
25 if they reasonably relied on information provided by the
26 political subdivision.

1 A political subdivision that imposes the tax under this
2 Section must submit to the Department of Revenue any other
3 information as the Department may require that is necessary
4 for the administration and enforcement of the tax.

5 When certifying the amount of a monthly disbursement to a
6 political subdivision under this Section, the Department shall
7 increase or decrease the amount by an amount necessary to
8 offset any misallocation of previous disbursements. The offset
9 amount shall be the amount erroneously disbursed within the
10 previous 6 months from the time a misallocation is discovered.

11 Nothing in this Section shall be construed to authorize
12 the political subdivision to impose a tax upon the privilege
13 of engaging in any business which under the Constitution of
14 the United States may not be made the subject of taxation by
15 this State.

16 (e) When STAR bond project costs, including, without
17 limitation, all political subdivision obligations financing
18 STAR bond project costs, have been paid, any surplus funds
19 then remaining in the STAR Bonds Tax Allocation Fund shall be
20 distributed to the treasurer of the political subdivision for
21 deposit into the political subdivision's general corporate
22 fund. Upon payment of all STAR bond project costs and
23 retirement of obligations, but in no event later than the
24 maximum maturity date of the last of the STAR bonds issued in
25 the STAR bond district, the political subdivision shall adopt
26 an ordinance immediately rescinding the taxes imposed pursuant

1 to this Section and file a certified copy of the ordinance with
2 the Department in the form and manner as described in this
3 Section.

4 (Source: P.A. 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19;
5 101-604, eff. 12-13-19.)

6 Section 60-40. The Counties Code is amended by changing
7 Sections 5-1006, 5-1006.5, 5-1006.7, and 5-1007 as follows:

8 (55 ILCS 5/5-1006) (from Ch. 34, par. 5-1006)

9 Sec. 5-1006. Home Rule County Retailers' Occupation Tax
10 Law. Any county that is a home rule unit may impose a tax upon
11 all persons engaged in the business of selling tangible
12 personal property, other than an item of tangible personal
13 property titled or registered with an agency of this State's
14 government, at retail in the county on the gross receipts from
15 such sales made in the course of their business. If imposed,
16 this tax shall only be imposed in 1/4% increments. On and after
17 September 1, 1991, this additional tax may not be imposed on
18 tangible personal property taxed at the 1% rate under the
19 Retailers' Occupation Tax Act (or at the 0% rate imposed under
20 this amendatory Act of the 102nd General Assembly). Beginning
21 December 1, 2019, this tax is not imposed on sales of aviation
22 fuel unless the tax revenue is expended for airport-related
23 purposes. If the county does not have an airport-related
24 purpose to which it dedicates aviation fuel tax revenue, then

1 aviation fuel is excluded from the tax. The county must comply
2 with the certification requirements for airport-related
3 purposes under Section 2-22 of the Retailers' Occupation Tax
4 Act. For purposes of this Section, "airport-related purposes"
5 has the meaning ascribed in Section 6z-20.2 of the State
6 Finance Act. This exclusion for aviation fuel only applies for
7 so long as the revenue use requirements of 49 U.S.C. 47107(b)
8 and 49 U.S.C. 47133 are binding on the county. The changes made
9 to this Section by this amendatory Act of the 101st General
10 Assembly are a denial and limitation of home rule powers and
11 functions under subsection (g) of Section 6 of Article VII of
12 the Illinois Constitution. The tax imposed by a home rule
13 county pursuant to this Section and all civil penalties that
14 may be assessed as an incident thereof shall be collected and
15 enforced by the State Department of Revenue. The certificate
16 of registration that is issued by the Department to a retailer
17 under the Retailers' Occupation Tax Act shall permit the
18 retailer to engage in a business that is taxable under any
19 ordinance or resolution enacted pursuant to this Section
20 without registering separately with the Department under such
21 ordinance or resolution or under this Section. The Department
22 shall have full power to administer and enforce this Section;
23 to collect all taxes and penalties due hereunder; to dispose
24 of taxes and penalties so collected in the manner hereinafter
25 provided; and to determine all rights to credit memoranda
26 arising on account of the erroneous payment of tax or penalty

1 hereunder. In the administration of, and compliance with, this
2 Section, the Department and persons who are subject to this
3 Section shall have the same rights, remedies, privileges,
4 immunities, powers and duties, and be subject to the same
5 conditions, restrictions, limitations, penalties and
6 definitions of terms, and employ the same modes of procedure,
7 as are prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j,
8 1k, 1m, 1n, 2 through 2-65 (in respect to all provisions
9 therein other than the State rate of tax), 3 (except as to the
10 disposition of taxes and penalties collected, and except that
11 the retailer's discount is not allowed for taxes paid on
12 aviation fuel that are subject to the revenue use requirements
13 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5, 5a, 5b, 5c,
14 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9,
15 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and
16 Section 3-7 of the Uniform Penalty and Interest Act, as fully
17 as if those provisions were set forth herein.

18 No tax may be imposed by a home rule county pursuant to
19 this Section unless the county also imposes a tax at the same
20 rate pursuant to Section 5-1007.

21 Persons subject to any tax imposed pursuant to the
22 authority granted in this Section may reimburse themselves for
23 their seller's tax liability hereunder by separately stating
24 such tax as an additional charge, which charge may be stated in
25 combination, in a single amount, with State tax which sellers
26 are required to collect under the Use Tax Act, pursuant to such

1 bracket schedules as the Department may prescribe.

2 Whenever the Department determines that a refund should be
3 made under this Section to a claimant instead of issuing a
4 credit memorandum, the Department shall notify the State
5 Comptroller, who shall cause the order to be drawn for the
6 amount specified and to the person named in the notification
7 from the Department. The refund shall be paid by the State
8 Treasurer out of the home rule county retailers' occupation
9 tax fund or the Local Government Aviation Trust Fund, as
10 appropriate.

11 Except as otherwise provided in this paragraph, the
12 Department shall forthwith pay over to the State Treasurer, ex
13 officio, as trustee, all taxes and penalties collected
14 hereunder for deposit into the Home Rule County Retailers'
15 Occupation Tax Fund. Taxes and penalties collected on aviation
16 fuel sold on or after December 1, 2019, shall be immediately
17 paid over by the Department to the State Treasurer, ex
18 officio, as trustee, for deposit into the Local Government
19 Aviation Trust Fund. The Department shall only pay moneys into
20 the Local Government Aviation Trust Fund under this Section
21 for so long as the revenue use requirements of 49 U.S.C.
22 47107(b) and 49 U.S.C. 47133 are binding on the county.

23 As soon as possible after the first day of each month,
24 beginning January 1, 2011, upon certification of the
25 Department of Revenue, the Comptroller shall order
26 transferred, and the Treasurer shall transfer, to the STAR

1 Bonds Revenue Fund the local sales tax increment, as defined
2 in the Innovation Development and Economy Act, collected under
3 this Section during the second preceding calendar month for
4 sales within a STAR bond district.

5 After the monthly transfer to the STAR Bonds Revenue Fund,
6 on or before the 25th day of each calendar month, the
7 Department shall prepare and certify to the Comptroller the
8 disbursement of stated sums of money to named counties, the
9 counties to be those from which retailers have paid taxes or
10 penalties hereunder to the Department during the second
11 preceding calendar month. The amount to be paid to each county
12 shall be the amount (not including credit memoranda and not
13 including taxes and penalties collected on aviation fuel sold
14 on or after December 1, 2019) collected hereunder during the
15 second preceding calendar month by the Department plus an
16 amount the Department determines is necessary to offset any
17 amounts that were erroneously paid to a different taxing body,
18 and not including an amount equal to the amount of refunds made
19 during the second preceding calendar month by the Department
20 on behalf of such county, and not including any amount which
21 the Department determines is necessary to offset any amounts
22 which were payable to a different taxing body but were
23 erroneously paid to the county, and not including any amounts
24 that are transferred to the STAR Bonds Revenue Fund, less 1.5%
25 of the remainder, which the Department shall transfer into the
26 Tax Compliance and Administration Fund. The Department, at the

1 time of each monthly disbursement to the counties, shall
2 prepare and certify to the State Comptroller the amount to be
3 transferred into the Tax Compliance and Administration Fund
4 under this Section. Within 10 days after receipt, by the
5 Comptroller, of the disbursement certification to the counties
6 and the Tax Compliance and Administration Fund provided for in
7 this Section to be given to the Comptroller by the Department,
8 the Comptroller shall cause the orders to be drawn for the
9 respective amounts in accordance with the directions contained
10 in the certification.

11 In addition to the disbursement required by the preceding
12 paragraph, an allocation shall be made in March of each year to
13 each county that received more than \$500,000 in disbursements
14 under the preceding paragraph in the preceding calendar year.
15 The allocation shall be in an amount equal to the average
16 monthly distribution made to each such county under the
17 preceding paragraph during the preceding calendar year
18 (excluding the 2 months of highest receipts). The distribution
19 made in March of each year subsequent to the year in which an
20 allocation was made pursuant to this paragraph and the
21 preceding paragraph shall be reduced by the amount allocated
22 and disbursed under this paragraph in the preceding calendar
23 year. The Department shall prepare and certify to the
24 Comptroller for disbursement the allocations made in
25 accordance with this paragraph.

26 For the purpose of determining the local governmental unit

1 whose tax is applicable, a retail sale by a producer of coal or
2 other mineral mined in Illinois is a sale at retail at the
3 place where the coal or other mineral mined in Illinois is
4 extracted from the earth. This paragraph does not apply to
5 coal or other mineral when it is delivered or shipped by the
6 seller to the purchaser at a point outside Illinois so that the
7 sale is exempt under the United States Constitution as a sale
8 in interstate or foreign commerce.

9 Nothing in this Section shall be construed to authorize a
10 county to impose a tax upon the privilege of engaging in any
11 business which under the Constitution of the United States may
12 not be made the subject of taxation by this State.

13 An ordinance or resolution imposing or discontinuing a tax
14 hereunder or effecting a change in the rate thereof shall be
15 adopted and a certified copy thereof filed with the Department
16 on or before the first day of June, whereupon the Department
17 shall proceed to administer and enforce this Section as of the
18 first day of September next following such adoption and
19 filing. Beginning January 1, 1992, an ordinance or resolution
20 imposing or discontinuing the tax hereunder or effecting a
21 change in the rate thereof shall be adopted and a certified
22 copy thereof filed with the Department on or before the first
23 day of July, whereupon the Department shall proceed to
24 administer and enforce this Section as of the first day of
25 October next following such adoption and filing. Beginning
26 January 1, 1993, an ordinance or resolution imposing or

1 discontinuing the tax hereunder or effecting a change in the
2 rate thereof shall be adopted and a certified copy thereof
3 filed with the Department on or before the first day of
4 October, whereupon the Department shall proceed to administer
5 and enforce this Section as of the first day of January next
6 following such adoption and filing. Beginning April 1, 1998,
7 an ordinance or resolution imposing or discontinuing the tax
8 hereunder or effecting a change in the rate thereof shall
9 either (i) be adopted and a certified copy thereof filed with
10 the Department on or before the first day of April, whereupon
11 the Department shall proceed to administer and enforce this
12 Section as of the first day of July next following the adoption
13 and filing; or (ii) be adopted and a certified copy thereof
14 filed with the Department on or before the first day of
15 October, whereupon the Department shall proceed to administer
16 and enforce this Section as of the first day of January next
17 following the adoption and filing.

18 When certifying the amount of a monthly disbursement to a
19 county under this Section, the Department shall increase or
20 decrease such amount by an amount necessary to offset any
21 misallocation of previous disbursements. The offset amount
22 shall be the amount erroneously disbursed within the previous
23 6 months from the time a misallocation is discovered.

24 This Section shall be known and may be cited as the Home
25 Rule County Retailers' Occupation Tax Law.

26 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;

1 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-81, eff.
2 7-12-19; 101-604, eff. 12-13-19.)

3 (55 ILCS 5/5-1006.5)

4 Sec. 5-1006.5. Special County Retailers' Occupation Tax
5 For Public Safety, Public Facilities, Mental Health, Substance
6 Abuse, or Transportation.

7 (a) The county board of any county may impose a tax upon
8 all persons engaged in the business of selling tangible
9 personal property, other than personal property titled or
10 registered with an agency of this State's government, at
11 retail in the county on the gross receipts from the sales made
12 in the course of business to provide revenue to be used
13 exclusively for public safety, public facility, mental health,
14 substance abuse, or transportation purposes in that county
15 (except as otherwise provided in this Section), if a
16 proposition for the tax has been submitted to the electors of
17 that county and approved by a majority of those voting on the
18 question. If imposed, this tax shall be imposed only in
19 one-quarter percent increments. By resolution, the county
20 board may order the proposition to be submitted at any
21 election. If the tax is imposed for transportation purposes
22 for expenditures for public highways or as authorized under
23 the Illinois Highway Code, the county board must publish
24 notice of the existence of its long-range highway
25 transportation plan as required or described in Section 5-301

1 of the Illinois Highway Code and must make the plan publicly
2 available prior to approval of the ordinance or resolution
3 imposing the tax. If the tax is imposed for transportation
4 purposes for expenditures for passenger rail transportation,
5 the county board must publish notice of the existence of its
6 long-range passenger rail transportation plan and must make
7 the plan publicly available prior to approval of the ordinance
8 or resolution imposing the tax.

9 If a tax is imposed for public facilities purposes, then
10 the name of the project may be included in the proposition at
11 the discretion of the county board as determined in the
12 enabling resolution. For example, the "XXX Nursing Home" or
13 the "YYY Museum".

14 The county clerk shall certify the question to the proper
15 election authority, who shall submit the proposition at an
16 election in accordance with the general election law.

17 (1) The proposition for public safety purposes shall
18 be in substantially the following form:

19 "To pay for public safety purposes, shall (name of
20 county) be authorized to impose an increase on its share
21 of local sales taxes by (insert rate)?"

22 As additional information on the ballot below the
23 question shall appear the following:

24 "This would mean that a consumer would pay an
25 additional (insert amount) in sales tax for every \$100 of
26 tangible personal property bought at retail."

1 The county board may also opt to establish a sunset
2 provision at which time the additional sales tax would
3 cease being collected, if not terminated earlier by a vote
4 of the county board. If the county board votes to include a
5 sunset provision, the proposition for public safety
6 purposes shall be in substantially the following form:

7 "To pay for public safety purposes, shall (name of
8 county) be authorized to impose an increase on its share
9 of local sales taxes by (insert rate) for a period not to
10 exceed (insert number of years)?"

11 As additional information on the ballot below the
12 question shall appear the following:

13 "This would mean that a consumer would pay an
14 additional (insert amount) in sales tax for every \$100 of
15 tangible personal property bought at retail. If imposed,
16 the additional tax would cease being collected at the end
17 of (insert number of years), if not terminated earlier by
18 a vote of the county board."

19 For the purposes of the paragraph, "public safety
20 purposes" means crime prevention, detention, fire
21 fighting, police, medical, ambulance, or other emergency
22 services.

23 Votes shall be recorded as "Yes" or "No".

24 Beginning on the January 1 or July 1, whichever is
25 first, that occurs not less than 30 days after May 31, 2015
26 (the effective date of Public Act 99-4), Adams County may

1 impose a public safety retailers' occupation tax and
2 service occupation tax at the rate of 0.25%, as provided
3 in the referendum approved by the voters on April 7, 2015,
4 notwithstanding the omission of the additional information
5 that is otherwise required to be printed on the ballot
6 below the question pursuant to this item (1).

7 (2) The proposition for transportation purposes shall
8 be in substantially the following form:

9 "To pay for improvements to roads and other
10 transportation purposes, shall (name of county) be
11 authorized to impose an increase on its share of local
12 sales taxes by (insert rate)?"

13 As additional information on the ballot below the
14 question shall appear the following:

15 "This would mean that a consumer would pay an
16 additional (insert amount) in sales tax for every \$100 of
17 tangible personal property bought at retail."

18 The county board may also opt to establish a sunset
19 provision at which time the additional sales tax would
20 cease being collected, if not terminated earlier by a vote
21 of the county board. If the county board votes to include a
22 sunset provision, the proposition for transportation
23 purposes shall be in substantially the following form:

24 "To pay for road improvements and other transportation
25 purposes, shall (name of county) be authorized to impose
26 an increase on its share of local sales taxes by (insert

1 rate) for a period not to exceed (insert number of
2 years)?"

3 As additional information on the ballot below the
4 question shall appear the following:

5 "This would mean that a consumer would pay an
6 additional (insert amount) in sales tax for every \$100 of
7 tangible personal property bought at retail. If imposed,
8 the additional tax would cease being collected at the end
9 of (insert number of years), if not terminated earlier by
10 a vote of the county board."

11 For the purposes of this paragraph, transportation
12 purposes means construction, maintenance, operation, and
13 improvement of public highways, any other purpose for
14 which a county may expend funds under the Illinois Highway
15 Code, and passenger rail transportation.

16 The votes shall be recorded as "Yes" or "No".

17 (3) The proposition for public facilities purposes
18 shall be in substantially the following form:

19 "To pay for public facilities purposes, shall (name of
20 county) be authorized to impose an increase on its share
21 of local sales taxes by (insert rate)?"

22 As additional information on the ballot below the
23 question shall appear the following:

24 "This would mean that a consumer would pay an
25 additional (insert amount) in sales tax for every \$100 of
26 tangible personal property bought at retail."

1 The county board may also opt to establish a sunset
2 provision at which time the additional sales tax would
3 cease being collected, if not terminated earlier by a vote
4 of the county board. If the county board votes to include a
5 sunset provision, the proposition for public facilities
6 purposes shall be in substantially the following form:

7 "To pay for public facilities purposes, shall (name of
8 county) be authorized to impose an increase on its share
9 of local sales taxes by (insert rate) for a period not to
10 exceed (insert number of years)?"

11 As additional information on the ballot below the
12 question shall appear the following:

13 "This would mean that a consumer would pay an
14 additional (insert amount) in sales tax for every \$100 of
15 tangible personal property bought at retail. If imposed,
16 the additional tax would cease being collected at the end
17 of (insert number of years), if not terminated earlier by
18 a vote of the county board."

19 For purposes of this Section, "public facilities
20 purposes" means the acquisition, development,
21 construction, reconstruction, rehabilitation,
22 improvement, financing, architectural planning, and
23 installation of capital facilities consisting of
24 buildings, structures, and durable equipment and for the
25 acquisition and improvement of real property and interest
26 in real property required, or expected to be required, in

1 connection with the public facilities, for use by the
2 county for the furnishing of governmental services to its
3 citizens, including, but not limited to, museums and
4 nursing homes.

5 The votes shall be recorded as "Yes" or "No".

6 (4) The proposition for mental health purposes shall
7 be in substantially the following form:

8 "To pay for mental health purposes, shall (name of
9 county) be authorized to impose an increase on its share
10 of local sales taxes by (insert rate)?"

11 As additional information on the ballot below the
12 question shall appear the following:

13 "This would mean that a consumer would pay an
14 additional (insert amount) in sales tax for every \$100 of
15 tangible personal property bought at retail."

16 The county board may also opt to establish a sunset
17 provision at which time the additional sales tax would
18 cease being collected, if not terminated earlier by a vote
19 of the county board. If the county board votes to include a
20 sunset provision, the proposition for public facilities
21 purposes shall be in substantially the following form:

22 "To pay for mental health purposes, shall (name of
23 county) be authorized to impose an increase on its share
24 of local sales taxes by (insert rate) for a period not to
25 exceed (insert number of years)?"

26 As additional information on the ballot below the

1 question shall appear the following:

2 "This would mean that a consumer would pay an
3 additional (insert amount) in sales tax for every \$100 of
4 tangible personal property bought at retail. If imposed,
5 the additional tax would cease being collected at the end
6 of (insert number of years), if not terminated earlier by
7 a vote of the county board."

8 The votes shall be recorded as "Yes" or "No".

9 (5) The proposition for substance abuse purposes shall
10 be in substantially the following form:

11 "To pay for substance abuse purposes, shall (name of
12 county) be authorized to impose an increase on its share
13 of local sales taxes by (insert rate)?"

14 As additional information on the ballot below the
15 question shall appear the following:

16 "This would mean that a consumer would pay an
17 additional (insert amount) in sales tax for every \$100 of
18 tangible personal property bought at retail."

19 The county board may also opt to establish a sunset
20 provision at which time the additional sales tax would
21 cease being collected, if not terminated earlier by a vote
22 of the county board. If the county board votes to include a
23 sunset provision, the proposition for public facilities
24 purposes shall be in substantially the following form:

25 "To pay for substance abuse purposes, shall (name of
26 county) be authorized to impose an increase on its share

1 of local sales taxes by (insert rate) for a period not to
2 exceed (insert number of years)?"

3 As additional information on the ballot below the
4 question shall appear the following:

5 "This would mean that a consumer would pay an
6 additional (insert amount) in sales tax for every \$100 of
7 tangible personal property bought at retail. If imposed,
8 the additional tax would cease being collected at the end
9 of (insert number of years), if not terminated earlier by
10 a vote of the county board."

11 The votes shall be recorded as "Yes" or "No".

12 If a majority of the electors voting on the proposition
13 vote in favor of it, the county may impose the tax. A county
14 may not submit more than one proposition authorized by this
15 Section to the electors at any one time.

16 This additional tax may not be imposed on tangible
17 personal property taxed at the 1% rate under the Retailers'
18 Occupation Tax Act (or at the 0% rate imposed under this
19 amendatory Act of the 102nd General Assembly). Beginning
20 December 1, 2019 and through December 31, 2020, this tax is not
21 imposed on sales of aviation fuel unless the tax revenue is
22 expended for airport-related purposes. If the county does not
23 have an airport-related purpose to which it dedicates aviation
24 fuel tax revenue, then aviation fuel is excluded from the tax.
25 The county must comply with the certification requirements for
26 airport-related purposes under Section 2-22 of the Retailers'

1 Occupation Tax Act. For purposes of this Section,
2 "airport-related purposes" has the meaning ascribed in Section
3 6z-20.2 of the State Finance Act. Beginning January 1, 2021,
4 this tax is not imposed on sales of aviation fuel for so long
5 as the revenue use requirements of 49 U.S.C. 47107(b) and 49
6 U.S.C. 47133 are binding on the county. The tax imposed by a
7 county under this Section and all civil penalties that may be
8 assessed as an incident of the tax shall be collected and
9 enforced by the Illinois Department of Revenue and deposited
10 into a special fund created for that purpose. The certificate
11 of registration that is issued by the Department to a retailer
12 under the Retailers' Occupation Tax Act shall permit the
13 retailer to engage in a business that is taxable without
14 registering separately with the Department under an ordinance
15 or resolution under this Section. The Department has full
16 power to administer and enforce this Section, to collect all
17 taxes and penalties due under this Section, to dispose of
18 taxes and penalties so collected in the manner provided in
19 this Section, and to determine all rights to credit memoranda
20 arising on account of the erroneous payment of a tax or penalty
21 under this Section. In the administration of and compliance
22 with this Section, the Department and persons who are subject
23 to this Section shall (i) have the same rights, remedies,
24 privileges, immunities, powers, and duties, (ii) be subject to
25 the same conditions, restrictions, limitations, penalties, and
26 definitions of terms, and (iii) employ the same modes of

1 procedure as are prescribed in Sections 1, 1a, 1a-1, 1d, 1e,
2 1f, 1i, 1j, 1k, 1m, 1n, 2 through 2-70 (in respect to all
3 provisions contained in those Sections other than the State
4 rate of tax), 2a, 2b, 2c, 3 (except provisions relating to
5 transaction returns and quarter monthly payments, and except
6 that the retailer's discount is not allowed for taxes paid on
7 aviation fuel that are deposited into the Local Government
8 Aviation Trust Fund), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i,
9 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 11a, 12, and 13
10 of the Retailers' Occupation Tax Act and Section 3-7 of the
11 Uniform Penalty and Interest Act as if those provisions were
12 set forth in this Section.

13 Persons subject to any tax imposed under the authority
14 granted in this Section may reimburse themselves for their
15 sellers' tax liability by separately stating the tax as an
16 additional charge, which charge may be stated in combination,
17 in a single amount, with State tax which sellers are required
18 to collect under the Use Tax Act, pursuant to such bracketed
19 schedules as the Department may prescribe.

20 Whenever the Department determines that a refund should be
21 made under this Section to a claimant instead of issuing a
22 credit memorandum, the Department shall notify the State
23 Comptroller, who shall cause the order to be drawn for the
24 amount specified and to the person named in the notification
25 from the Department. The refund shall be paid by the State
26 Treasurer out of the County Public Safety, Public Facilities,

1 Mental Health, Substance Abuse, or Transportation Retailers'
2 Occupation Tax Fund or the Local Government Aviation Trust
3 Fund, as appropriate.

4 (b) If a tax has been imposed under subsection (a), a
5 service occupation tax shall also be imposed at the same rate
6 upon all persons engaged, in the county, in the business of
7 making sales of service, who, as an incident to making those
8 sales of service, transfer tangible personal property within
9 the county as an incident to a sale of service. This tax may
10 not be imposed on tangible personal property taxed at the 1%
11 rate under the Service Occupation Tax Act (or at the 0% rate
12 imposed under this amendatory Act of the 102nd General
13 Assembly). Beginning December 1, 2019 and through December 31,
14 2020, this tax is not imposed on sales of aviation fuel unless
15 the tax revenue is expended for airport-related purposes. If
16 the county does not have an airport-related purpose to which
17 it dedicates aviation fuel tax revenue, then aviation fuel is
18 excluded from the tax. The county must comply with the
19 certification requirements for airport-related purposes under
20 Section 2-22 of the Retailers' Occupation Tax Act. For
21 purposes of this Section, "airport-related purposes" has the
22 meaning ascribed in Section 6z-20.2 of the State Finance Act.
23 Beginning January 1, 2021, this tax is not imposed on sales of
24 aviation fuel for so long as the revenue use requirements of 49
25 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the county.
26 The tax imposed under this subsection and all civil penalties

1 that may be assessed as an incident thereof shall be collected
2 and enforced by the Department of Revenue. The Department has
3 full power to administer and enforce this subsection; to
4 collect all taxes and penalties due hereunder; to dispose of
5 taxes and penalties so collected in the manner hereinafter
6 provided; and to determine all rights to credit memoranda
7 arising on account of the erroneous payment of tax or penalty
8 hereunder. In the administration of and compliance with this
9 subsection, the Department and persons who are subject to this
10 paragraph shall (i) have the same rights, remedies,
11 privileges, immunities, powers, and duties, (ii) be subject to
12 the same conditions, restrictions, limitations, penalties,
13 exclusions, exemptions, and definitions of terms, and (iii)
14 employ the same modes of procedure as are prescribed in
15 Sections 2 (except that the reference to State in the
16 definition of supplier maintaining a place of business in this
17 State shall mean the county), 2a, 2b, 2c, 3 through 3-50 (in
18 respect to all provisions therein other than the State rate of
19 tax), 4 (except that the reference to the State shall be to the
20 county), 5, 7, 8 (except that the jurisdiction to which the tax
21 shall be a debt to the extent indicated in that Section 8 shall
22 be the county), 9 (except as to the disposition of taxes and
23 penalties collected, and except that the retailer's discount
24 is not allowed for taxes paid on aviation fuel that are
25 deposited into the Local Government Aviation Trust Fund), 10,
26 11, 12 (except the reference therein to Section 2b of the

1 Retailers' Occupation Tax Act), 13 (except that any reference
2 to the State shall mean the county), Section 15, 16, 17, 18,
3 19, and 20 of the Service Occupation Tax Act, and Section 3-7
4 of the Uniform Penalty and Interest Act, as fully as if those
5 provisions were set forth herein.

6 Persons subject to any tax imposed under the authority
7 granted in this subsection may reimburse themselves for their
8 serviceman's tax liability by separately stating the tax as an
9 additional charge, which charge may be stated in combination,
10 in a single amount, with State tax that servicemen are
11 authorized to collect under the Service Use Tax Act, in
12 accordance with such bracket schedules as the Department may
13 prescribe.

14 Whenever the Department determines that a refund should be
15 made under this subsection to a claimant instead of issuing a
16 credit memorandum, the Department shall notify the State
17 Comptroller, who shall cause the warrant to be drawn for the
18 amount specified, and to the person named, in the notification
19 from the Department. The refund shall be paid by the State
20 Treasurer out of the County Public Safety, Public Facilities,
21 Mental Health, Substance Abuse, or Transportation Retailers'
22 Occupation Fund or the Local Government Aviation Trust Fund,
23 as appropriate.

24 Nothing in this subsection shall be construed to authorize
25 the county to impose a tax upon the privilege of engaging in
26 any business which under the Constitution of the United States

1 may not be made the subject of taxation by the State.

2 (c) Except as otherwise provided in this paragraph, the
3 Department shall immediately pay over to the State Treasurer,
4 ex officio, as trustee, all taxes and penalties collected
5 under this Section to be deposited into the County Public
6 Safety, Public Facilities, Mental Health, Substance Abuse, or
7 Transportation Retailers' Occupation Tax Fund, which shall be
8 an unappropriated trust fund held outside of the State
9 treasury. Taxes and penalties collected on aviation fuel sold
10 on or after December 1, 2019 and through December 31, 2020,
11 shall be immediately paid over by the Department to the State
12 Treasurer, ex officio, as trustee, for deposit into the Local
13 Government Aviation Trust Fund. The Department shall only pay
14 moneys into the Local Government Aviation Trust Fund under
15 this Act for so long as the revenue use requirements of 49
16 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the county.

17 As soon as possible after the first day of each month,
18 beginning January 1, 2011, upon certification of the
19 Department of Revenue, the Comptroller shall order
20 transferred, and the Treasurer shall transfer, to the STAR
21 Bonds Revenue Fund the local sales tax increment, as defined
22 in the Innovation Development and Economy Act, collected under
23 this Section during the second preceding calendar month for
24 sales within a STAR bond district.

25 After the monthly transfer to the STAR Bonds Revenue Fund,
26 on or before the 25th day of each calendar month, the

1 Department shall prepare and certify to the Comptroller the
2 disbursement of stated sums of money to the counties from
3 which retailers have paid taxes or penalties to the Department
4 during the second preceding calendar month. The amount to be
5 paid to each county, and deposited by the county into its
6 special fund created for the purposes of this Section, shall
7 be the amount (not including credit memoranda and not
8 including taxes and penalties collected on aviation fuel sold
9 on or after December 1, 2019 and through December 31, 2020)
10 collected under this Section during the second preceding
11 calendar month by the Department plus an amount the Department
12 determines is necessary to offset any amounts that were
13 erroneously paid to a different taxing body, and not including
14 (i) an amount equal to the amount of refunds made during the
15 second preceding calendar month by the Department on behalf of
16 the county, (ii) any amount that the Department determines is
17 necessary to offset any amounts that were payable to a
18 different taxing body but were erroneously paid to the county,
19 (iii) any amounts that are transferred to the STAR Bonds
20 Revenue Fund, and (iv) 1.5% of the remainder, which shall be
21 transferred into the Tax Compliance and Administration Fund.
22 The Department, at the time of each monthly disbursement to
23 the counties, shall prepare and certify to the State
24 Comptroller the amount to be transferred into the Tax
25 Compliance and Administration Fund under this subsection.
26 Within 10 days after receipt by the Comptroller of the

1 disbursement certification to the counties and the Tax
2 Compliance and Administration Fund provided for in this
3 Section to be given to the Comptroller by the Department, the
4 Comptroller shall cause the orders to be drawn for the
5 respective amounts in accordance with directions contained in
6 the certification.

7 In addition to the disbursement required by the preceding
8 paragraph, an allocation shall be made in March of each year to
9 each county that received more than \$500,000 in disbursements
10 under the preceding paragraph in the preceding calendar year.
11 The allocation shall be in an amount equal to the average
12 monthly distribution made to each such county under the
13 preceding paragraph during the preceding calendar year
14 (excluding the 2 months of highest receipts). The distribution
15 made in March of each year subsequent to the year in which an
16 allocation was made pursuant to this paragraph and the
17 preceding paragraph shall be reduced by the amount allocated
18 and disbursed under this paragraph in the preceding calendar
19 year. The Department shall prepare and certify to the
20 Comptroller for disbursement the allocations made in
21 accordance with this paragraph.

22 (d) For the purpose of determining the local governmental
23 unit whose tax is applicable, a retail sale by a producer of
24 coal or another mineral mined in Illinois is a sale at retail
25 at the place where the coal or other mineral mined in Illinois
26 is extracted from the earth. This paragraph does not apply to

1 coal or another mineral when it is delivered or shipped by the
2 seller to the purchaser at a point outside Illinois so that the
3 sale is exempt under the United States Constitution as a sale
4 in interstate or foreign commerce.

5 (e) Nothing in this Section shall be construed to
6 authorize a county to impose a tax upon the privilege of
7 engaging in any business that under the Constitution of the
8 United States may not be made the subject of taxation by this
9 State.

10 (e-5) If a county imposes a tax under this Section, the
11 county board may, by ordinance, discontinue or lower the rate
12 of the tax. If the county board lowers the tax rate or
13 discontinues the tax, a referendum must be held in accordance
14 with subsection (a) of this Section in order to increase the
15 rate of the tax or to reimpose the discontinued tax.

16 (f) Beginning April 1, 1998 and through December 31, 2013,
17 the results of any election authorizing a proposition to
18 impose a tax under this Section or effecting a change in the
19 rate of tax, or any ordinance lowering the rate or
20 discontinuing the tax, shall be certified by the county clerk
21 and filed with the Illinois Department of Revenue either (i)
22 on or before the first day of April, whereupon the Department
23 shall proceed to administer and enforce the tax as of the first
24 day of July next following the filing; or (ii) on or before the
25 first day of October, whereupon the Department shall proceed
26 to administer and enforce the tax as of the first day of

1 January next following the filing.

2 Beginning January 1, 2014, the results of any election
3 authorizing a proposition to impose a tax under this Section
4 or effecting an increase in the rate of tax, along with the
5 ordinance adopted to impose the tax or increase the rate of the
6 tax, or any ordinance adopted to lower the rate or discontinue
7 the tax, shall be certified by the county clerk and filed with
8 the Illinois Department of Revenue either (i) on or before the
9 first day of May, whereupon the Department shall proceed to
10 administer and enforce the tax as of the first day of July next
11 following the adoption and filing; or (ii) on or before the
12 first day of October, whereupon the Department shall proceed
13 to administer and enforce the tax as of the first day of
14 January next following the adoption and filing.

15 (g) When certifying the amount of a monthly disbursement
16 to a county under this Section, the Department shall increase
17 or decrease the amounts by an amount necessary to offset any
18 miscalculation of previous disbursements. The offset amount
19 shall be the amount erroneously disbursed within the previous
20 6 months from the time a miscalculation is discovered.

21 (g-5) Every county authorized to levy a tax under this
22 Section shall, before it levies such tax, establish a 7-member
23 mental health board, which shall have the same powers and
24 duties and be constituted in the same manner as a community
25 mental health board established under the Community Mental
26 Health Act. Proceeds of the tax under this Section that are

1 earmarked for mental health or substance abuse purposes shall
2 be deposited into a special county occupation tax fund for
3 mental health and substance abuse. The 7-member mental health
4 board established under this subsection shall administer the
5 special county occupation tax fund for mental health and
6 substance abuse in the same manner as the community mental
7 health board administers the community mental health fund
8 under the Community Mental Health Act.

9 (h) This Section may be cited as the "Special County
10 Occupation Tax For Public Safety, Public Facilities, Mental
11 Health, Substance Abuse, or Transportation Law".

12 (i) For purposes of this Section, "public safety"
13 includes, but is not limited to, crime prevention, detention,
14 fire fighting, police, medical, ambulance, or other emergency
15 services. The county may share tax proceeds received under
16 this Section for public safety purposes, including proceeds
17 received before August 4, 2009 (the effective date of Public
18 Act 96-124), with any fire protection district located in the
19 county. For the purposes of this Section, "transportation"
20 includes, but is not limited to, the construction,
21 maintenance, operation, and improvement of public highways,
22 any other purpose for which a county may expend funds under the
23 Illinois Highway Code, and passenger rail transportation. For
24 the purposes of this Section, "public facilities purposes"
25 includes, but is not limited to, the acquisition, development,
26 construction, reconstruction, rehabilitation, improvement,

1 financing, architectural planning, and installation of capital
2 facilities consisting of buildings, structures, and durable
3 equipment and for the acquisition and improvement of real
4 property and interest in real property required, or expected
5 to be required, in connection with the public facilities, for
6 use by the county for the furnishing of governmental services
7 to its citizens, including, but not limited to, museums and
8 nursing homes.

9 (j) The Department may promulgate rules to implement
10 Public Act 95-1002 only to the extent necessary to apply the
11 existing rules for the Special County Retailers' Occupation
12 Tax for Public Safety to this new purpose for public
13 facilities.

14 (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;
15 101-275, eff. 8-9-19; 101-604, eff. 12-13-19; 102-379, eff.
16 1-1-22.)

17 (55 ILCS 5/5-1006.7)

18 Sec. 5-1006.7. School facility and resources occupation
19 taxes.

20 (a) In any county, a tax shall be imposed upon all persons
21 engaged in the business of selling tangible personal property,
22 other than personal property titled or registered with an
23 agency of this State's government, at retail in the county on
24 the gross receipts from the sales made in the course of
25 business to provide revenue to be used exclusively for (i)

1 school facility purposes (except as otherwise provided in this
2 Section), (ii) school resource officers and mental health
3 professionals, or (iii) school facility purposes, school
4 resource officers, and mental health professionals if a
5 proposition for the tax has been submitted to the electors of
6 that county and approved by a majority of those voting on the
7 question as provided in subsection (c). The tax under this
8 Section shall be imposed only in one-quarter percent
9 increments and may not exceed 1%.

10 This additional tax may not be imposed on tangible
11 personal property taxed at the 1% rate under the Retailers'
12 Occupation Tax Act (or at the 0% rate imposed under this
13 amendatory Act of the 102nd General Assembly). Beginning
14 December 1, 2019 and through December 31, 2020, this tax is not
15 imposed on sales of aviation fuel unless the tax revenue is
16 expended for airport-related purposes. If the county does not
17 have an airport-related purpose to which it dedicates aviation
18 fuel tax revenue, then aviation fuel is excluded from the tax.
19 The county must comply with the certification requirements for
20 airport-related purposes under Section 2-22 of the Retailers'
21 Occupation Tax Act. For purposes of this Section,
22 "airport-related purposes" has the meaning ascribed in Section
23 6z-20.2 of the State Finance Act. Beginning January 1, 2021,
24 this tax is not imposed on sales of aviation fuel for so long
25 as the revenue use requirements of 49 U.S.C. 47107(b) and 49
26 U.S.C. 47133 are binding on the county. The Department of

1 Revenue has full power to administer and enforce this
2 subsection, to collect all taxes and penalties due under this
3 subsection, to dispose of taxes and penalties so collected in
4 the manner provided in this subsection, and to determine all
5 rights to credit memoranda arising on account of the erroneous
6 payment of a tax or penalty under this subsection. The
7 Department shall deposit all taxes and penalties collected
8 under this subsection into a special fund created for that
9 purpose.

10 In the administration of and compliance with this
11 subsection, the Department and persons who are subject to this
12 subsection (i) have the same rights, remedies, privileges,
13 immunities, powers, and duties, (ii) are subject to the same
14 conditions, restrictions, limitations, penalties, and
15 definitions of terms, and (iii) shall employ the same modes of
16 procedure as are set forth in Sections 1 through 10, 2 through
17 2-70 (in respect to all provisions contained in those Sections
18 other than the State rate of tax), 2a through 2h, 3 (except as
19 to the disposition of taxes and penalties collected, and
20 except that the retailer's discount is not allowed for taxes
21 paid on aviation fuel that are subject to the revenue use
22 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5,
23 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c,
24 6d, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers'
25 Occupation Tax Act and all provisions of the Uniform Penalty
26 and Interest Act as if those provisions were set forth in this

1 subsection.

2 The certificate of registration that is issued by the
3 Department to a retailer under the Retailers' Occupation Tax
4 Act permits the retailer to engage in a business that is
5 taxable without registering separately with the Department
6 under an ordinance or resolution under this subsection.

7 Persons subject to any tax imposed under the authority
8 granted in this subsection may reimburse themselves for their
9 seller's tax liability by separately stating that tax as an
10 additional charge, which may be stated in combination, in a
11 single amount, with State tax that sellers are required to
12 collect under the Use Tax Act, pursuant to any bracketed
13 schedules set forth by the Department.

14 (b) If a tax has been imposed under subsection (a), then a
15 service occupation tax must also be imposed at the same rate
16 upon all persons engaged, in the county, in the business of
17 making sales of service, who, as an incident to making those
18 sales of service, transfer tangible personal property within
19 the county as an incident to a sale of service.

20 This tax may not be imposed on tangible personal property
21 taxed at the 1% rate under the Service Occupation Tax Act (or
22 at the 0% rate imposed under this amendatory Act of the 102nd
23 General Assembly). Beginning December 1, 2019 and through
24 December 31, 2020, this tax is not imposed on sales of aviation
25 fuel unless the tax revenue is expended for airport-related
26 purposes. If the county does not have an airport-related

1 purpose to which it dedicates aviation fuel tax revenue, then
2 aviation fuel is excluded from the tax. The county must comply
3 with the certification requirements for airport-related
4 purposes under Section 2-22 of the Retailers' Occupation Tax
5 Act. For purposes of this Section, "airport-related purposes"
6 has the meaning ascribed in Section 6z-20.2 of the State
7 Finance Act. Beginning January 1, 2021, this tax is not
8 imposed on sales of aviation fuel for so long as the revenue
9 use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
10 binding on the county.

11 The tax imposed under this subsection and all civil
12 penalties that may be assessed as an incident thereof shall be
13 collected and enforced by the Department and deposited into a
14 special fund created for that purpose. The Department has full
15 power to administer and enforce this subsection, to collect
16 all taxes and penalties due under this subsection, to dispose
17 of taxes and penalties so collected in the manner provided in
18 this subsection, and to determine all rights to credit
19 memoranda arising on account of the erroneous payment of a tax
20 or penalty under this subsection.

21 In the administration of and compliance with this
22 subsection, the Department and persons who are subject to this
23 subsection shall (i) have the same rights, remedies,
24 privileges, immunities, powers and duties, (ii) be subject to
25 the same conditions, restrictions, limitations, penalties and
26 definition of terms, and (iii) employ the same modes of

1 procedure as are set forth in Sections 2 (except that that
2 reference to State in the definition of supplier maintaining a
3 place of business in this State means the county), 2a through
4 2d, 3 through 3-50 (in respect to all provisions contained in
5 those Sections other than the State rate of tax), 4 (except
6 that the reference to the State shall be to the county), 5, 7,
7 8 (except that the jurisdiction to which the tax is a debt to
8 the extent indicated in that Section 8 is the county), 9
9 (except as to the disposition of taxes and penalties
10 collected, and except that the retailer's discount is not
11 allowed for taxes paid on aviation fuel that are subject to the
12 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
13 47133), 10, 11, 12 (except the reference therein to Section 2b
14 of the Retailers' Occupation Tax Act), 13 (except that any
15 reference to the State means the county), Section 15, 16, 17,
16 18, 19, and 20 of the Service Occupation Tax Act and all
17 provisions of the Uniform Penalty and Interest Act, as fully
18 as if those provisions were set forth herein.

19 Persons subject to any tax imposed under the authority
20 granted in this subsection may reimburse themselves for their
21 serviceman's tax liability by separately stating the tax as an
22 additional charge, which may be stated in combination, in a
23 single amount, with State tax that servicemen are authorized
24 to collect under the Service Use Tax Act, pursuant to any
25 bracketed schedules set forth by the Department.

26 (c) The tax under this Section may not be imposed until the

1 question of imposing the tax has been submitted to the
2 electors of the county at a regular election and approved by a
3 majority of the electors voting on the question. For all
4 regular elections held prior to August 23, 2011 (the effective
5 date of Public Act 97-542), upon a resolution by the county
6 board or a resolution by school district boards that represent
7 at least 51% of the student enrollment within the county, the
8 county board must certify the question to the proper election
9 authority in accordance with the Election Code.

10 For all regular elections held prior to August 23, 2011
11 (the effective date of Public Act 97-542), the election
12 authority must submit the question in substantially the
13 following form:

14 Shall (name of county) be authorized to impose a
15 retailers' occupation tax and a service occupation tax
16 (commonly referred to as a "sales tax") at a rate of
17 (insert rate) to be used exclusively for school facility
18 purposes?

19 The election authority must record the votes as "Yes" or
20 "No".

21 If a majority of the electors voting on the question vote
22 in the affirmative, then the county may, thereafter, impose
23 the tax.

24 For all regular elections held on or after August 23, 2011
25 (the effective date of Public Act 97-542), the regional
26 superintendent of schools for the county must, upon receipt of

1 a resolution or resolutions of school district boards that
2 represent more than 50% of the student enrollment within the
3 county, certify the question to the proper election authority
4 for submission to the electors of the county at the next
5 regular election at which the question lawfully may be
6 submitted to the electors, all in accordance with the Election
7 Code.

8 For all regular elections held on or after August 23, 2011
9 (the effective date of Public Act 97-542) and before August
10 23, 2019 (the effective date of Public Act 101-455), the
11 election authority must submit the question in substantially
12 the following form:

13 Shall a retailers' occupation tax and a service
14 occupation tax (commonly referred to as a "sales tax") be
15 imposed in (name of county) at a rate of (insert rate) to
16 be used exclusively for school facility purposes?

17 The election authority must record the votes as "Yes" or
18 "No".

19 If a majority of the electors voting on the question vote
20 in the affirmative, then the tax shall be imposed at the rate
21 set forth in the question.

22 For all regular elections held on or after August 23, 2019
23 (the effective date of Public Act 101-455), the election
24 authority must submit the question as follows:

25 (1) If the referendum is to expand the use of revenues
26 from a currently imposed tax exclusively for school

1 facility purposes to include school resource officers and
2 mental health professionals, the question shall be in
3 substantially the following form:

4 In addition to school facility purposes, shall
5 (name of county) school districts be authorized to use
6 revenues from the tax commonly referred to as the
7 school facility sales tax that is currently imposed in
8 (name of county) at a rate of (insert rate) for school
9 resource officers and mental health professionals?

10 (2) If the referendum is to increase the rate of a tax
11 currently imposed exclusively for school facility purposes
12 at less than 1% and dedicate the additional revenues for
13 school resource officers and mental health professionals,
14 the question shall be in substantially the following form:

15 Shall the tax commonly referred to as the school
16 facility sales tax that is currently imposed in (name
17 of county) at the rate of (insert rate) be increased to
18 a rate of (insert rate) with the additional revenues
19 used exclusively for school resource officers and
20 mental health professionals?

21 (3) If the referendum is to impose a tax in a county
22 that has not previously imposed a tax under this Section
23 exclusively for school facility purposes, the question
24 shall be in substantially the following form:

25 Shall a retailers' occupation tax and a service
26 occupation tax (commonly referred to as a sales tax)

1 be imposed in (name of county) at a rate of (insert
2 rate) to be used exclusively for school facility
3 purposes?

4 (4) If the referendum is to impose a tax in a county
5 that has not previously imposed a tax under this Section
6 exclusively for school resource officers and mental health
7 professionals, the question shall be in substantially the
8 following form:

9 Shall a retailers' occupation tax and a service
10 occupation tax (commonly referred to as a sales tax)
11 be imposed in (name of county) at a rate of (insert
12 rate) to be used exclusively for school resource
13 officers and mental health professionals?

14 (5) If the referendum is to impose a tax in a county
15 that has not previously imposed a tax under this Section
16 exclusively for school facility purposes, school resource
17 officers, and mental health professionals, the question
18 shall be in substantially the following form:

19 Shall a retailers' occupation tax and a service
20 occupation tax (commonly referred to as a sales tax)
21 be imposed in (name of county) at a rate of (insert
22 rate) to be used exclusively for school facility
23 purposes, school resource officers, and mental health
24 professionals?

25 The election authority must record the votes as "Yes" or
26 "No".

1 If a majority of the electors voting on the question vote
2 in the affirmative, then the tax shall be imposed at the rate
3 set forth in the question.

4 For the purposes of this subsection (c), "enrollment"
5 means the head count of the students residing in the county on
6 the last school day of September of each year, which must be
7 reported on the Illinois State Board of Education Public
8 School Fall Enrollment/Housing Report.

9 (d) Except as otherwise provided, the Department shall
10 immediately pay over to the State Treasurer, ex officio, as
11 trustee, all taxes and penalties collected under this Section
12 to be deposited into the School Facility Occupation Tax Fund,
13 which shall be an unappropriated trust fund held outside the
14 State treasury. Taxes and penalties collected on aviation fuel
15 sold on or after December 1, 2019 and through December 31,
16 2020, shall be immediately paid over by the Department to the
17 State Treasurer, ex officio, as trustee, for deposit into the
18 Local Government Aviation Trust Fund. The Department shall
19 only pay moneys into the Local Government Aviation Trust Fund
20 under this Section for so long as the revenue use requirements
21 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
22 county.

23 On or before the 25th day of each calendar month, the
24 Department shall prepare and certify to the Comptroller the
25 disbursement of stated sums of money to the regional
26 superintendents of schools in counties from which retailers or

1 servicemen have paid taxes or penalties to the Department
2 during the second preceding calendar month. The amount to be
3 paid to each regional superintendent of schools and disbursed
4 to him or her in accordance with Section 3-14.31 of the School
5 Code, is equal to the amount (not including credit memoranda
6 and not including taxes and penalties collected on aviation
7 fuel sold on or after December 1, 2019 and through December 31,
8 2020) collected from the county under this Section during the
9 second preceding calendar month by the Department, (i) less 2%
10 of that amount (except the amount collected on aviation fuel
11 sold on or after December 1, 2019 and through December 31,
12 2020), which shall be deposited into the Tax Compliance and
13 Administration Fund and shall be used by the Department,
14 subject to appropriation, to cover the costs of the Department
15 in administering and enforcing the provisions of this Section,
16 on behalf of the county, (ii) plus an amount that the
17 Department determines is necessary to offset any amounts that
18 were erroneously paid to a different taxing body; (iii) less
19 an amount equal to the amount of refunds made during the second
20 preceding calendar month by the Department on behalf of the
21 county; and (iv) less any amount that the Department
22 determines is necessary to offset any amounts that were
23 payable to a different taxing body but were erroneously paid
24 to the county. When certifying the amount of a monthly
25 disbursement to a regional superintendent of schools under
26 this Section, the Department shall increase or decrease the

1 amounts by an amount necessary to offset any miscalculation of
2 previous disbursements within the previous 6 months from the
3 time a miscalculation is discovered.

4 Within 10 days after receipt by the Comptroller from the
5 Department of the disbursement certification to the regional
6 superintendents of the schools provided for in this Section,
7 the Comptroller shall cause the orders to be drawn for the
8 respective amounts in accordance with directions contained in
9 the certification.

10 If the Department determines that a refund should be made
11 under this Section to a claimant instead of issuing a credit
12 memorandum, then the Department shall notify the Comptroller,
13 who shall cause the order to be drawn for the amount specified
14 and to the person named in the notification from the
15 Department. The refund shall be paid by the Treasurer out of
16 the School Facility Occupation Tax Fund or the Local
17 Government Aviation Trust Fund, as appropriate.

18 (e) For the purposes of determining the local governmental
19 unit whose tax is applicable, a retail sale by a producer of
20 coal or another mineral mined in Illinois is a sale at retail
21 at the place where the coal or other mineral mined in Illinois
22 is extracted from the earth. This subsection does not apply to
23 coal or another mineral when it is delivered or shipped by the
24 seller to the purchaser at a point outside Illinois so that the
25 sale is exempt under the United States Constitution as a sale
26 in interstate or foreign commerce.

1 (f) Nothing in this Section may be construed to authorize
2 a tax to be imposed upon the privilege of engaging in any
3 business that under the Constitution of the United States may
4 not be made the subject of taxation by this State.

5 (g) If a county board imposes a tax under this Section
6 pursuant to a referendum held before August 23, 2011 (the
7 effective date of Public Act 97-542) at a rate below the rate
8 set forth in the question approved by a majority of electors of
9 that county voting on the question as provided in subsection
10 (c), then the county board may, by ordinance, increase the
11 rate of the tax up to the rate set forth in the question
12 approved by a majority of electors of that county voting on the
13 question as provided in subsection (c). If a county board
14 imposes a tax under this Section pursuant to a referendum held
15 before August 23, 2011 (the effective date of Public Act
16 97-542), then the board may, by ordinance, discontinue or
17 reduce the rate of the tax. If a tax is imposed under this
18 Section pursuant to a referendum held on or after August 23,
19 2011 (the effective date of Public Act 97-542) and before
20 August 23, 2019 (the effective date of Public Act 101-455),
21 then the county board may reduce or discontinue the tax, but
22 only in accordance with subsection (h-5) of this Section. If a
23 tax is imposed under this Section pursuant to a referendum
24 held on or after August 23, 2019 (the effective date of Public
25 Act 101-455), then the county board may reduce or discontinue
26 the tax, but only in accordance with subsection (h-10). If,

1 however, a school board issues bonds that are secured by the
2 proceeds of the tax under this Section, then the county board
3 may not reduce the tax rate or discontinue the tax if that rate
4 reduction or discontinuance would adversely affect the school
5 board's ability to pay the principal and interest on those
6 bonds as they become due or necessitate the extension of
7 additional property taxes to pay the principal and interest on
8 those bonds. If the county board reduces the tax rate or
9 discontinues the tax, then a referendum must be held in
10 accordance with subsection (c) of this Section in order to
11 increase the rate of the tax or to reimpose the discontinued
12 tax.

13 Until January 1, 2014, the results of any election that
14 imposes, reduces, or discontinues a tax under this Section
15 must be certified by the election authority, and any ordinance
16 that increases or lowers the rate or discontinues the tax must
17 be certified by the county clerk and, in each case, filed with
18 the Illinois Department of Revenue either (i) on or before the
19 first day of April, whereupon the Department shall proceed to
20 administer and enforce the tax or change in the rate as of the
21 first day of July next following the filing; or (ii) on or
22 before the first day of October, whereupon the Department
23 shall proceed to administer and enforce the tax or change in
24 the rate as of the first day of January next following the
25 filing.

26 Beginning January 1, 2014, the results of any election

1 that imposes, reduces, or discontinues a tax under this
2 Section must be certified by the election authority, and any
3 ordinance that increases or lowers the rate or discontinues
4 the tax must be certified by the county clerk and, in each
5 case, filed with the Illinois Department of Revenue either (i)
6 on or before the first day of May, whereupon the Department
7 shall proceed to administer and enforce the tax or change in
8 the rate as of the first day of July next following the filing;
9 or (ii) on or before the first day of October, whereupon the
10 Department shall proceed to administer and enforce the tax or
11 change in the rate as of the first day of January next
12 following the filing.

13 (h) For purposes of this Section, "school facility
14 purposes" means (i) the acquisition, development,
15 construction, reconstruction, rehabilitation, improvement,
16 financing, architectural planning, and installation of capital
17 facilities consisting of buildings, structures, and durable
18 equipment and for the acquisition and improvement of real
19 property and interest in real property required, or expected
20 to be required, in connection with the capital facilities and
21 (ii) the payment of bonds or other obligations heretofore or
22 hereafter issued, including bonds or other obligations
23 heretofore or hereafter issued to refund or to continue to
24 refund bonds or other obligations issued, for school facility
25 purposes, provided that the taxes levied to pay those bonds
26 are abated by the amount of the taxes imposed under this

1 Section that are used to pay those bonds. "School facility
2 purposes" also includes fire prevention, safety, energy
3 conservation, accessibility, school security, and specified
4 repair purposes set forth under Section 17-2.11 of the School
5 Code.

6 (h-5) A county board in a county where a tax has been
7 imposed under this Section pursuant to a referendum held on or
8 after August 23, 2011 (the effective date of Public Act
9 97-542) and before August 23, 2019 (the effective date of
10 Public Act 101-455) may, by ordinance or resolution, submit to
11 the voters of the county the question of reducing or
12 discontinuing the tax. In the ordinance or resolution, the
13 county board shall certify the question to the proper election
14 authority in accordance with the Election Code. The election
15 authority must submit the question in substantially the
16 following form:

17 Shall the school facility retailers' occupation tax
18 and service occupation tax (commonly referred to as the
19 "school facility sales tax") currently imposed in (name of
20 county) at a rate of (insert rate) be (reduced to (insert
21 rate)) (discontinued)?

22 If a majority of the electors voting on the question vote in
23 the affirmative, then, subject to the provisions of subsection
24 (g) of this Section, the tax shall be reduced or discontinued
25 as set forth in the question.

26 (h-10) A county board in a county where a tax has been

1 imposed under this Section pursuant to a referendum held on or
2 after August 23, 2019 (the effective date of Public Act
3 101-455) may, by ordinance or resolution, submit to the voters
4 of the county the question of reducing or discontinuing the
5 tax. In the ordinance or resolution, the county board shall
6 certify the question to the proper election authority in
7 accordance with the Election Code. The election authority must
8 submit the question in substantially the following form:

9 Shall the school facility and resources retailers'
10 occupation tax and service occupation tax (commonly
11 referred to as the school facility and resources sales
12 tax) currently imposed in (name of county) at a rate of
13 (insert rate) be (reduced to (insert rate))
14 (discontinued)?

15 The election authority must record the votes as "Yes" or
16 "No".

17 If a majority of the electors voting on the question vote
18 in the affirmative, then, subject to the provisions of
19 subsection (g) of this Section, the tax shall be reduced or
20 discontinued as set forth in the question.

21 (i) This Section does not apply to Cook County.

22 (j) This Section may be cited as the County School
23 Facility and Resources Occupation Tax Law.

24 (Source: P.A. 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19;
25 101-455, eff. 8-23-19; 101-604, eff. 12-13-19.)

1 (55 ILCS 5/5-1007) (from Ch. 34, par. 5-1007)

2 Sec. 5-1007. Home Rule County Service Occupation Tax Law.
3 The corporate authorities of a home rule county may impose a
4 tax upon all persons engaged, in such county, in the business
5 of making sales of service at the same rate of tax imposed
6 pursuant to Section 5-1006 of the selling price of all
7 tangible personal property transferred by such servicemen
8 either in the form of tangible personal property or in the form
9 of real estate as an incident to a sale of service. If imposed,
10 such tax shall only be imposed in 1/4% increments. On and after
11 September 1, 1991, this additional tax may not be imposed on
12 tangible personal property taxed at the 1% rate under the
13 Service Occupation Tax Act (or at the 0% rate imposed under
14 this amendatory Act of the 102nd General Assembly). Beginning
15 December 1, 2019, this tax is not imposed on sales of aviation
16 fuel unless the tax revenue is expended for airport-related
17 purposes. If the county does not have an airport-related
18 purpose to which it dedicates aviation fuel tax revenue, then
19 aviation fuel is excluded from the tax. The county must comply
20 with the certification requirements for airport-related
21 purposes under Section 2-22 of the Retailers' Occupation Tax
22 Act. For purposes of this Section, "airport-related purposes"
23 has the meaning ascribed in Section 6z-20.2 of the State
24 Finance Act. This exclusion for aviation fuel only applies for
25 so long as the revenue use requirements of 49 U.S.C. 47107(b)
26 and 49 U.S.C. 47133 are binding on the county. The changes made

1 to this Section by this amendatory Act of the 101st General
2 Assembly are a denial and limitation of home rule powers and
3 functions under subsection (g) of Section 6 of Article VII of
4 the Illinois Constitution. The tax imposed by a home rule
5 county pursuant to this Section and all civil penalties that
6 may be assessed as an incident thereof shall be collected and
7 enforced by the State Department of Revenue. The certificate
8 of registration which is issued by the Department to a
9 retailer under the Retailers' Occupation Tax Act or under the
10 Service Occupation Tax Act shall permit such registrant to
11 engage in a business which is taxable under any ordinance or
12 resolution enacted pursuant to this Section without
13 registering separately with the Department under such
14 ordinance or resolution or under this Section. The Department
15 shall have full power to administer and enforce this Section;
16 to collect all taxes and penalties due hereunder; to dispose
17 of taxes and penalties so collected in the manner hereinafter
18 provided; and to determine all rights to credit memoranda
19 arising on account of the erroneous payment of tax or penalty
20 hereunder. In the administration of, and compliance with, this
21 Section the Department and persons who are subject to this
22 Section shall have the same rights, remedies, privileges,
23 immunities, powers and duties, and be subject to the same
24 conditions, restrictions, limitations, penalties and
25 definitions of terms, and employ the same modes of procedure,
26 as are prescribed in Sections 1a-1, 2, 2a, 3 through 3-50 (in

1 respect to all provisions therein other than the State rate of
2 tax), 4 (except that the reference to the State shall be to the
3 taxing county), 5, 7, 8 (except that the jurisdiction to which
4 the tax shall be a debt to the extent indicated in that Section
5 8 shall be the taxing county), 9 (except as to the disposition
6 of taxes and penalties collected, and except that the returned
7 merchandise credit for this county tax may not be taken
8 against any State tax, and except that the retailer's discount
9 is not allowed for taxes paid on aviation fuel that are subject
10 to the revenue use requirements of 49 U.S.C. 47107(b) and 49
11 U.S.C. 47133), 10, 11, 12 (except the reference therein to
12 Section 2b of the Retailers' Occupation Tax Act), 13 (except
13 that any reference to the State shall mean the taxing county),
14 the first paragraph of Section 15, 16, 17, 18, 19 and 20 of the
15 Service Occupation Tax Act and Section 3-7 of the Uniform
16 Penalty and Interest Act, as fully as if those provisions were
17 set forth herein.

18 No tax may be imposed by a home rule county pursuant to
19 this Section unless such county also imposes a tax at the same
20 rate pursuant to Section 5-1006.

21 Persons subject to any tax imposed pursuant to the
22 authority granted in this Section may reimburse themselves for
23 their serviceman's tax liability hereunder by separately
24 stating such tax as an additional charge, which charge may be
25 stated in combination, in a single amount, with State tax
26 which servicemen are authorized to collect under the Service

1 Use Tax Act, pursuant to such bracket schedules as the
2 Department may prescribe.

3 Whenever the Department determines that a refund should be
4 made under this Section to a claimant instead of issuing
5 credit memorandum, the Department shall notify the State
6 Comptroller, who shall cause the order to be drawn for the
7 amount specified, and to the person named, in such
8 notification from the Department. Such refund shall be paid by
9 the State Treasurer out of the home rule county retailers'
10 occupation tax fund or the Local Government Aviation Trust
11 Fund, as appropriate.

12 Except as otherwise provided in this paragraph, the
13 Department shall forthwith pay over to the State Treasurer, ex
14 officio, as trustee, all taxes and penalties collected
15 hereunder for deposit into the Home Rule County Retailers'
16 Occupation Tax Fund. Taxes and penalties collected on aviation
17 fuel sold on or after December 1, 2019, shall be immediately
18 paid over by the Department to the State Treasurer, ex
19 officio, as trustee, for deposit into the Local Government
20 Aviation Trust Fund. The Department shall only pay moneys into
21 the Local Government Aviation Trust Fund under this Section
22 for so long as the revenue use requirements of 49 U.S.C.
23 47107(b) and 49 U.S.C. 47133 are binding on the county.

24 As soon as possible after the first day of each month,
25 beginning January 1, 2011, upon certification of the
26 Department of Revenue, the Comptroller shall order

1 transferred, and the Treasurer shall transfer, to the STAR
2 Bonds Revenue Fund the local sales tax increment, as defined
3 in the Innovation Development and Economy Act, collected under
4 this Section during the second preceding calendar month for
5 sales within a STAR bond district.

6 After the monthly transfer to the STAR Bonds Revenue Fund,
7 on or before the 25th day of each calendar month, the
8 Department shall prepare and certify to the Comptroller the
9 disbursement of stated sums of money to named counties, the
10 counties to be those from which suppliers and servicemen have
11 paid taxes or penalties hereunder to the Department during the
12 second preceding calendar month. The amount to be paid to each
13 county shall be the amount (not including credit memoranda and
14 not including taxes and penalties collected on aviation fuel
15 sold on or after December 1, 2019) collected hereunder during
16 the second preceding calendar month by the Department, and not
17 including an amount equal to the amount of refunds made during
18 the second preceding calendar month by the Department on
19 behalf of such county, and not including any amounts that are
20 transferred to the STAR Bonds Revenue Fund, less 1.5% of the
21 remainder, which the Department shall transfer into the Tax
22 Compliance and Administration Fund. The Department, at the
23 time of each monthly disbursement to the counties, shall
24 prepare and certify to the State Comptroller the amount to be
25 transferred into the Tax Compliance and Administration Fund
26 under this Section. Within 10 days after receipt, by the

1 Comptroller, of the disbursement certification to the counties
2 and the Tax Compliance and Administration Fund provided for in
3 this Section to be given to the Comptroller by the Department,
4 the Comptroller shall cause the orders to be drawn for the
5 respective amounts in accordance with the directions contained
6 in such certification.

7 In addition to the disbursement required by the preceding
8 paragraph, an allocation shall be made in each year to each
9 county which received more than \$500,000 in disbursements
10 under the preceding paragraph in the preceding calendar year.
11 The allocation shall be in an amount equal to the average
12 monthly distribution made to each such county under the
13 preceding paragraph during the preceding calendar year
14 (excluding the 2 months of highest receipts). The distribution
15 made in March of each year subsequent to the year in which an
16 allocation was made pursuant to this paragraph and the
17 preceding paragraph shall be reduced by the amount allocated
18 and disbursed under this paragraph in the preceding calendar
19 year. The Department shall prepare and certify to the
20 Comptroller for disbursement the allocations made in
21 accordance with this paragraph.

22 Nothing in this Section shall be construed to authorize a
23 county to impose a tax upon the privilege of engaging in any
24 business which under the Constitution of the United States may
25 not be made the subject of taxation by this State.

26 An ordinance or resolution imposing or discontinuing a tax

1 hereunder or effecting a change in the rate thereof shall be
2 adopted and a certified copy thereof filed with the Department
3 on or before the first day of June, whereupon the Department
4 shall proceed to administer and enforce this Section as of the
5 first day of September next following such adoption and
6 filing. Beginning January 1, 1992, an ordinance or resolution
7 imposing or discontinuing the tax hereunder or effecting a
8 change in the rate thereof shall be adopted and a certified
9 copy thereof filed with the Department on or before the first
10 day of July, whereupon the Department shall proceed to
11 administer and enforce this Section as of the first day of
12 October next following such adoption and filing. Beginning
13 January 1, 1993, an ordinance or resolution imposing or
14 discontinuing the tax hereunder or effecting a change in the
15 rate thereof shall be adopted and a certified copy thereof
16 filed with the Department on or before the first day of
17 October, whereupon the Department shall proceed to administer
18 and enforce this Section as of the first day of January next
19 following such adoption and filing. Beginning April 1, 1998,
20 an ordinance or resolution imposing or discontinuing the tax
21 hereunder or effecting a change in the rate thereof shall
22 either (i) be adopted and a certified copy thereof filed with
23 the Department on or before the first day of April, whereupon
24 the Department shall proceed to administer and enforce this
25 Section as of the first day of July next following the adoption
26 and filing; or (ii) be adopted and a certified copy thereof

1 filed with the Department on or before the first day of
2 October, whereupon the Department shall proceed to administer
3 and enforce this Section as of the first day of January next
4 following the adoption and filing.

5 This Section shall be known and may be cited as the Home
6 Rule County Service Occupation Tax Law.

7 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;
8 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-81, eff.
9 7-12-19; 101-604, eff. 12-13-19.)

10 Section 60-45. The Illinois Municipal Code is amended by
11 changing Sections 8-11-1, 8-11-1.3, 8-11-1.4, 8-11-1.6,
12 8-11-1.7, 8-11-5, and 11-74.3-6 as follows:

13 (65 ILCS 5/8-11-1) (from Ch. 24, par. 8-11-1)

14 Sec. 8-11-1. Home Rule Municipal Retailers' Occupation Tax
15 Act. The corporate authorities of a home rule municipality may
16 impose a tax upon all persons engaged in the business of
17 selling tangible personal property, other than an item of
18 tangible personal property titled or registered with an agency
19 of this State's government, at retail in the municipality on
20 the gross receipts from these sales made in the course of such
21 business. If imposed, the tax shall only be imposed in 1/4%
22 increments. On and after September 1, 1991, this additional
23 tax may not be imposed on tangible personal property taxed at
24 the 1% rate under the Retailers' Occupation Tax Act (or at the

1 0% rate imposed under this amendatory Act of the 102nd General
2 Assembly). Beginning December 1, 2019, this tax is not imposed
3 on sales of aviation fuel unless the tax revenue is expended
4 for airport-related purposes. If a municipality does not have
5 an airport-related purpose to which it dedicates aviation fuel
6 tax revenue, then aviation fuel is excluded from the tax. Each
7 municipality must comply with the certification requirements
8 for airport-related purposes under Section 2-22 of the
9 Retailers' Occupation Tax Act. For purposes of this Section,
10 "airport-related purposes" has the meaning ascribed in Section
11 6z-20.2 of the State Finance Act. This exclusion for aviation
12 fuel only applies for so long as the revenue use requirements
13 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
14 municipality. The changes made to this Section by this
15 amendatory Act of the 101st General Assembly are a denial and
16 limitation of home rule powers and functions under subsection
17 (g) of Section 6 of Article VII of the Illinois Constitution.
18 The tax imposed by a home rule municipality under this Section
19 and all civil penalties that may be assessed as an incident of
20 the tax shall be collected and enforced by the State
21 Department of Revenue. The certificate of registration that is
22 issued by the Department to a retailer under the Retailers'
23 Occupation Tax Act shall permit the retailer to engage in a
24 business that is taxable under any ordinance or resolution
25 enacted pursuant to this Section without registering
26 separately with the Department under such ordinance or

1 resolution or under this Section. The Department shall have
2 full power to administer and enforce this Section; to collect
3 all taxes and penalties due hereunder; to dispose of taxes and
4 penalties so collected in the manner hereinafter provided; and
5 to determine all rights to credit memoranda arising on account
6 of the erroneous payment of tax or penalty hereunder. In the
7 administration of, and compliance with, this Section the
8 Department and persons who are subject to this Section shall
9 have the same rights, remedies, privileges, immunities, powers
10 and duties, and be subject to the same conditions,
11 restrictions, limitations, penalties and definitions of terms,
12 and employ the same modes of procedure, as are prescribed in
13 Sections 1, 1a, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2 through 2-65
14 (in respect to all provisions therein other than the State
15 rate of tax), 2c, 3 (except as to the disposition of taxes and
16 penalties collected, and except that the retailer's discount
17 is not allowed for taxes paid on aviation fuel that are subject
18 to the revenue use requirements of 49 U.S.C. 47107(b) and 49
19 U.S.C. 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j,
20 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12 and 13 of the
21 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
22 Penalty and Interest Act, as fully as if those provisions were
23 set forth herein.

24 No tax may be imposed by a home rule municipality under
25 this Section unless the municipality also imposes a tax at the
26 same rate under Section 8-11-5 of this Act.

1 Persons subject to any tax imposed under the authority
2 granted in this Section may reimburse themselves for their
3 seller's tax liability hereunder by separately stating that
4 tax as an additional charge, which charge may be stated in
5 combination, in a single amount, with State tax which sellers
6 are required to collect under the Use Tax Act, pursuant to such
7 bracket schedules as the Department may prescribe.

8 Whenever the Department determines that a refund should be
9 made under this Section to a claimant instead of issuing a
10 credit memorandum, the Department shall notify the State
11 Comptroller, who shall cause the order to be drawn for the
12 amount specified and to the person named in the notification
13 from the Department. The refund shall be paid by the State
14 Treasurer out of the home rule municipal retailers' occupation
15 tax fund or the Local Government Aviation Trust Fund, as
16 appropriate.

17 Except as otherwise provided in this paragraph, the
18 Department shall immediately pay over to the State Treasurer,
19 ex officio, as trustee, all taxes and penalties collected
20 hereunder for deposit into the Home Rule Municipal Retailers'
21 Occupation Tax Fund. Taxes and penalties collected on aviation
22 fuel sold on or after December 1, 2019, shall be immediately
23 paid over by the Department to the State Treasurer, ex
24 officio, as trustee, for deposit into the Local Government
25 Aviation Trust Fund. The Department shall only pay moneys into
26 the Local Government Aviation Trust Fund under this Section

1 for so long as the revenue use requirements of 49 U.S.C.
2 47107(b) and 49 U.S.C. 47133 are binding on the State.

3 As soon as possible after the first day of each month,
4 beginning January 1, 2011, upon certification of the
5 Department of Revenue, the Comptroller shall order
6 transferred, and the Treasurer shall transfer, to the STAR
7 Bonds Revenue Fund the local sales tax increment, as defined
8 in the Innovation Development and Economy Act, collected under
9 this Section during the second preceding calendar month for
10 sales within a STAR bond district.

11 After the monthly transfer to the STAR Bonds Revenue Fund,
12 on or before the 25th day of each calendar month, the
13 Department shall prepare and certify to the Comptroller the
14 disbursement of stated sums of money to named municipalities,
15 the municipalities to be those from which retailers have paid
16 taxes or penalties hereunder to the Department during the
17 second preceding calendar month. The amount to be paid to each
18 municipality shall be the amount (not including credit
19 memoranda and not including taxes and penalties collected on
20 aviation fuel sold on or after December 1, 2019) collected
21 hereunder during the second preceding calendar month by the
22 Department plus an amount the Department determines is
23 necessary to offset any amounts that were erroneously paid to
24 a different taxing body, and not including an amount equal to
25 the amount of refunds made during the second preceding
26 calendar month by the Department on behalf of such

1 municipality, and not including any amount that the Department
2 determines is necessary to offset any amounts that were
3 payable to a different taxing body but were erroneously paid
4 to the municipality, and not including any amounts that are
5 transferred to the STAR Bonds Revenue Fund, less 1.5% of the
6 remainder, which the Department shall transfer into the Tax
7 Compliance and Administration Fund. The Department, at the
8 time of each monthly disbursement to the municipalities, shall
9 prepare and certify to the State Comptroller the amount to be
10 transferred into the Tax Compliance and Administration Fund
11 under this Section. Within 10 days after receipt by the
12 Comptroller of the disbursement certification to the
13 municipalities and the Tax Compliance and Administration Fund
14 provided for in this Section to be given to the Comptroller by
15 the Department, the Comptroller shall cause the orders to be
16 drawn for the respective amounts in accordance with the
17 directions contained in the certification.

18 In addition to the disbursement required by the preceding
19 paragraph and in order to mitigate delays caused by
20 distribution procedures, an allocation shall, if requested, be
21 made within 10 days after January 14, 1991, and in November of
22 1991 and each year thereafter, to each municipality that
23 received more than \$500,000 during the preceding fiscal year,
24 (July 1 through June 30) whether collected by the municipality
25 or disbursed by the Department as required by this Section.
26 Within 10 days after January 14, 1991, participating

1 municipalities shall notify the Department in writing of their
2 intent to participate. In addition, for the initial
3 distribution, participating municipalities shall certify to
4 the Department the amounts collected by the municipality for
5 each month under its home rule occupation and service
6 occupation tax during the period July 1, 1989 through June 30,
7 1990. The allocation within 10 days after January 14, 1991,
8 shall be in an amount equal to the monthly average of these
9 amounts, excluding the 2 months of highest receipts. The
10 monthly average for the period of July 1, 1990 through June 30,
11 1991 will be determined as follows: the amounts collected by
12 the municipality under its home rule occupation and service
13 occupation tax during the period of July 1, 1990 through
14 September 30, 1990, plus amounts collected by the Department
15 and paid to such municipality through June 30, 1991, excluding
16 the 2 months of highest receipts. The monthly average for each
17 subsequent period of July 1 through June 30 shall be an amount
18 equal to the monthly distribution made to each such
19 municipality under the preceding paragraph during this period,
20 excluding the 2 months of highest receipts. The distribution
21 made in November 1991 and each year thereafter under this
22 paragraph and the preceding paragraph shall be reduced by the
23 amount allocated and disbursed under this paragraph in the
24 preceding period of July 1 through June 30. The Department
25 shall prepare and certify to the Comptroller for disbursement
26 the allocations made in accordance with this paragraph.

1 For the purpose of determining the local governmental unit
2 whose tax is applicable, a retail sale by a producer of coal or
3 other mineral mined in Illinois is a sale at retail at the
4 place where the coal or other mineral mined in Illinois is
5 extracted from the earth. This paragraph does not apply to
6 coal or other mineral when it is delivered or shipped by the
7 seller to the purchaser at a point outside Illinois so that the
8 sale is exempt under the United States Constitution as a sale
9 in interstate or foreign commerce.

10 Nothing in this Section shall be construed to authorize a
11 municipality to impose a tax upon the privilege of engaging in
12 any business which under the Constitution of the United States
13 may not be made the subject of taxation by this State.

14 An ordinance or resolution imposing or discontinuing a tax
15 hereunder or effecting a change in the rate thereof shall be
16 adopted and a certified copy thereof filed with the Department
17 on or before the first day of June, whereupon the Department
18 shall proceed to administer and enforce this Section as of the
19 first day of September next following the adoption and filing.
20 Beginning January 1, 1992, an ordinance or resolution imposing
21 or discontinuing the tax hereunder or effecting a change in
22 the rate thereof shall be adopted and a certified copy thereof
23 filed with the Department on or before the first day of July,
24 whereupon the Department shall proceed to administer and
25 enforce this Section as of the first day of October next
26 following such adoption and filing. Beginning January 1, 1993,

1 an ordinance or resolution imposing or discontinuing the tax
2 hereunder or effecting a change in the rate thereof shall be
3 adopted and a certified copy thereof filed with the Department
4 on or before the first day of October, whereupon the
5 Department shall proceed to administer and enforce this
6 Section as of the first day of January next following the
7 adoption and filing. However, a municipality located in a
8 county with a population in excess of 3,000,000 that elected
9 to become a home rule unit at the general primary election in
10 1994 may adopt an ordinance or resolution imposing the tax
11 under this Section and file a certified copy of the ordinance
12 or resolution with the Department on or before July 1, 1994.
13 The Department shall then proceed to administer and enforce
14 this Section as of October 1, 1994. Beginning April 1, 1998, an
15 ordinance or resolution imposing or discontinuing the tax
16 hereunder or effecting a change in the rate thereof shall
17 either (i) be adopted and a certified copy thereof filed with
18 the Department on or before the first day of April, whereupon
19 the Department shall proceed to administer and enforce this
20 Section as of the first day of July next following the adoption
21 and filing; or (ii) be adopted and a certified copy thereof
22 filed with the Department on or before the first day of
23 October, whereupon the Department shall proceed to administer
24 and enforce this Section as of the first day of January next
25 following the adoption and filing.

26 When certifying the amount of a monthly disbursement to a

1 municipality under this Section, the Department shall increase
2 or decrease the amount by an amount necessary to offset any
3 misallocation of previous disbursements. The offset amount
4 shall be the amount erroneously disbursed within the previous
5 6 months from the time a misallocation is discovered.

6 Any unobligated balance remaining in the Municipal
7 Retailers' Occupation Tax Fund on December 31, 1989, which
8 fund was abolished by Public Act 85-1135, and all receipts of
9 municipal tax as a result of audits of liability periods prior
10 to January 1, 1990, shall be paid into the Local Government Tax
11 Fund for distribution as provided by this Section prior to the
12 enactment of Public Act 85-1135. All receipts of municipal tax
13 as a result of an assessment not arising from an audit, for
14 liability periods prior to January 1, 1990, shall be paid into
15 the Local Government Tax Fund for distribution before July 1,
16 1990, as provided by this Section prior to the enactment of
17 Public Act 85-1135; and on and after July 1, 1990, all such
18 receipts shall be distributed as provided in Section 6z-18 of
19 the State Finance Act.

20 As used in this Section, "municipal" and "municipality"
21 means a city, village or incorporated town, including an
22 incorporated town that has superseded a civil township.

23 This Section shall be known and may be cited as the Home
24 Rule Municipal Retailers' Occupation Tax Act.

25 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;
26 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-81, eff.

1 7-12-19; 101-604, eff. 12-13-19.)

2 (65 ILCS 5/8-11-1.3) (from Ch. 24, par. 8-11-1.3)

3 Sec. 8-11-1.3. Non-Home Rule Municipal Retailers'
4 Occupation Tax Act. The corporate authorities of a non-home
5 rule municipality may impose a tax upon all persons engaged in
6 the business of selling tangible personal property, other than
7 on an item of tangible personal property which is titled and
8 registered by an agency of this State's Government, at retail
9 in the municipality for expenditure on public infrastructure
10 or for property tax relief or both as defined in Section
11 8-11-1.2 if approved by referendum as provided in Section
12 8-11-1.1, of the gross receipts from such sales made in the
13 course of such business. If the tax is approved by referendum
14 on or after July 14, 2010 (the effective date of Public Act
15 96-1057), the corporate authorities of a non-home rule
16 municipality may, until July 1, 2030, use the proceeds of the
17 tax for expenditure on municipal operations, in addition to or
18 in lieu of any expenditure on public infrastructure or for
19 property tax relief. The tax imposed may not be more than 1%
20 and may be imposed only in 1/4% increments. The tax may not be
21 imposed on tangible personal property taxed at the 1% rate
22 under the Retailers' Occupation Tax Act (or at the 0% rate
23 imposed under this amendatory Act of the 102nd General
24 Assembly). Beginning December 1, 2019, this tax is not imposed
25 on sales of aviation fuel unless the tax revenue is expended

1 for airport-related purposes. If a municipality does not have
2 an airport-related purpose to which it dedicates aviation fuel
3 tax revenue, then aviation fuel is excluded from the tax. Each
4 municipality must comply with the certification requirements
5 for airport-related purposes under Section 2-22 of the
6 Retailers' Occupation Tax Act. For purposes of this Section,
7 "airport-related purposes" has the meaning ascribed in Section
8 6z-20.2 of the State Finance Act. This exclusion for aviation
9 fuel only applies for so long as the revenue use requirements
10 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
11 municipality. The tax imposed by a municipality pursuant to
12 this Section and all civil penalties that may be assessed as an
13 incident thereof shall be collected and enforced by the State
14 Department of Revenue. The certificate of registration which
15 is issued by the Department to a retailer under the Retailers'
16 Occupation Tax Act shall permit such retailer to engage in a
17 business which is taxable under any ordinance or resolution
18 enacted pursuant to this Section without registering
19 separately with the Department under such ordinance or
20 resolution or under this Section. The Department shall have
21 full power to administer and enforce this Section; to collect
22 all taxes and penalties due hereunder; to dispose of taxes and
23 penalties so collected in the manner hereinafter provided, and
24 to determine all rights to credit memoranda, arising on
25 account of the erroneous payment of tax or penalty hereunder.
26 In the administration of, and compliance with, this Section,

1 the Department and persons who are subject to this Section
2 shall have the same rights, remedies, privileges, immunities,
3 powers and duties, and be subject to the same conditions,
4 restrictions, limitations, penalties and definitions of terms,
5 and employ the same modes of procedure, as are prescribed in
6 Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 2 through 2-65 (in
7 respect to all provisions therein other than the State rate of
8 tax), 2c, 3 (except as to the disposition of taxes and
9 penalties collected, and except that the retailer's discount
10 is not allowed for taxes paid on aviation fuel that are subject
11 to the revenue use requirements of 49 U.S.C. 47107(b) and 49
12 U.S.C. 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j,
13 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12 and 13 of the
14 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
15 Penalty and Interest Act as fully as if those provisions were
16 set forth herein.

17 No municipality may impose a tax under this Section unless
18 the municipality also imposes a tax at the same rate under
19 Section 8-11-1.4 of this Code.

20 Persons subject to any tax imposed pursuant to the
21 authority granted in this Section may reimburse themselves for
22 their seller's tax liability hereunder by separately stating
23 such tax as an additional charge, which charge may be stated in
24 combination, in a single amount, with State tax which sellers
25 are required to collect under the Use Tax Act, pursuant to such
26 bracket schedules as the Department may prescribe.

1 Whenever the Department determines that a refund should be
2 made under this Section to a claimant instead of issuing a
3 credit memorandum, the Department shall notify the State
4 Comptroller, who shall cause the order to be drawn for the
5 amount specified, and to the person named, in such
6 notification from the Department. Such refund shall be paid by
7 the State Treasurer out of the non-home rule municipal
8 retailers' occupation tax fund or the Local Government
9 Aviation Trust Fund, as appropriate.

10 Except as otherwise provided, the Department shall
11 forthwith pay over to the State Treasurer, ex officio, as
12 trustee, all taxes and penalties collected hereunder for
13 deposit into the Non-Home Rule Municipal Retailers' Occupation
14 Tax Fund. Taxes and penalties collected on aviation fuel sold
15 on or after December 1, 2019, shall be immediately paid over by
16 the Department to the State Treasurer, ex officio, as trustee,
17 for deposit into the Local Government Aviation Trust Fund. The
18 Department shall only pay moneys into the Local Government
19 Aviation Trust Fund under this Section for so long as the
20 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
21 47133 are binding on the municipality.

22 As soon as possible after the first day of each month,
23 beginning January 1, 2011, upon certification of the
24 Department of Revenue, the Comptroller shall order
25 transferred, and the Treasurer shall transfer, to the STAR
26 Bonds Revenue Fund the local sales tax increment, as defined

1 in the Innovation Development and Economy Act, collected under
2 this Section during the second preceding calendar month for
3 sales within a STAR bond district.

4 After the monthly transfer to the STAR Bonds Revenue Fund,
5 on or before the 25th day of each calendar month, the
6 Department shall prepare and certify to the Comptroller the
7 disbursement of stated sums of money to named municipalities,
8 the municipalities to be those from which retailers have paid
9 taxes or penalties hereunder to the Department during the
10 second preceding calendar month. The amount to be paid to each
11 municipality shall be the amount (not including credit
12 memoranda and not including taxes and penalties collected on
13 aviation fuel sold on or after December 1, 2019) collected
14 hereunder during the second preceding calendar month by the
15 Department plus an amount the Department determines is
16 necessary to offset any amounts which were erroneously paid to
17 a different taxing body, and not including an amount equal to
18 the amount of refunds made during the second preceding
19 calendar month by the Department on behalf of such
20 municipality, and not including any amount which the
21 Department determines is necessary to offset any amounts which
22 were payable to a different taxing body but were erroneously
23 paid to the municipality, and not including any amounts that
24 are transferred to the STAR Bonds Revenue Fund, less 1.5% of
25 the remainder, which the Department shall transfer into the
26 Tax Compliance and Administration Fund. The Department, at the

1 time of each monthly disbursement to the municipalities, shall
2 prepare and certify to the State Comptroller the amount to be
3 transferred into the Tax Compliance and Administration Fund
4 under this Section. Within 10 days after receipt, by the
5 Comptroller, of the disbursement certification to the
6 municipalities and the Tax Compliance and Administration Fund
7 provided for in this Section to be given to the Comptroller by
8 the Department, the Comptroller shall cause the orders to be
9 drawn for the respective amounts in accordance with the
10 directions contained in such certification.

11 For the purpose of determining the local governmental unit
12 whose tax is applicable, a retail sale, by a producer of coal
13 or other mineral mined in Illinois, is a sale at retail at the
14 place where the coal or other mineral mined in Illinois is
15 extracted from the earth. This paragraph does not apply to
16 coal or other mineral when it is delivered or shipped by the
17 seller to the purchaser at a point outside Illinois so that the
18 sale is exempt under the Federal Constitution as a sale in
19 interstate or foreign commerce.

20 Nothing in this Section shall be construed to authorize a
21 municipality to impose a tax upon the privilege of engaging in
22 any business which under the constitution of the United States
23 may not be made the subject of taxation by this State.

24 When certifying the amount of a monthly disbursement to a
25 municipality under this Section, the Department shall increase
26 or decrease such amount by an amount necessary to offset any

1 misallocation of previous disbursements. The offset amount
2 shall be the amount erroneously disbursed within the previous
3 6 months from the time a misallocation is discovered.

4 The Department of Revenue shall implement Public Act
5 91-649 so as to collect the tax on and after January 1, 2002.

6 As used in this Section, "municipal" and "municipality"
7 mean a city, village, or incorporated town, including an
8 incorporated town which has superseded a civil township.

9 This Section shall be known and may be cited as the
10 Non-Home Rule Municipal Retailers' Occupation Tax Act.

11 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;
12 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-47, eff.
13 1-1-20; 101-81, eff. 7-12-19; 101-604, eff. 12-13-19.)

14 (65 ILCS 5/8-11-1.4) (from Ch. 24, par. 8-11-1.4)

15 Sec. 8-11-1.4. Non-Home Rule Municipal Service Occupation
16 Tax Act. The corporate authorities of a non-home rule
17 municipality may impose a tax upon all persons engaged, in
18 such municipality, in the business of making sales of service
19 for expenditure on public infrastructure or for property tax
20 relief or both as defined in Section 8-11-1.2 if approved by
21 referendum as provided in Section 8-11-1.1, of the selling
22 price of all tangible personal property transferred by such
23 servicemen either in the form of tangible personal property or
24 in the form of real estate as an incident to a sale of service.
25 If the tax is approved by referendum on or after July 14, 2010

1 (the effective date of Public Act 96-1057), the corporate
2 authorities of a non-home rule municipality may, until
3 December 31, 2020, use the proceeds of the tax for expenditure
4 on municipal operations, in addition to or in lieu of any
5 expenditure on public infrastructure or for property tax
6 relief. The tax imposed may not be more than 1% and may be
7 imposed only in 1/4% increments. The tax may not be imposed on
8 tangible personal property taxed at the 1% rate under the
9 Service Occupation Tax Act (or at the 0% rate imposed under
10 this amendatory Act of the 102nd General Assembly). Beginning
11 December 1, 2019, this tax is not imposed on sales of aviation
12 fuel unless the tax revenue is expended for airport-related
13 purposes. If a municipality does not have an airport-related
14 purpose to which it dedicates aviation fuel tax revenue, then
15 aviation fuel is excluded from the tax. Each municipality must
16 comply with the certification requirements for airport-related
17 purposes under Section 2-22 of the Retailers' Occupation Tax
18 Act. For purposes of this Section, "airport-related purposes"
19 has the meaning ascribed in Section 6z-20.2 of the State
20 Finance Act. This exclusion for aviation fuel only applies for
21 so long as the revenue use requirements of 49 U.S.C. 47107(b)
22 and 49 U.S.C. 47133 are binding on the municipality. The tax
23 imposed by a municipality pursuant to this Section and all
24 civil penalties that may be assessed as an incident thereof
25 shall be collected and enforced by the State Department of
26 Revenue. The certificate of registration which is issued by

1 the Department to a retailer under the Retailers' Occupation
2 Tax Act or under the Service Occupation Tax Act shall permit
3 such registrant to engage in a business which is taxable under
4 any ordinance or resolution enacted pursuant to this Section
5 without registering separately with the Department under such
6 ordinance or resolution or under this Section. The Department
7 shall have full power to administer and enforce this Section;
8 to collect all taxes and penalties due hereunder; to dispose
9 of taxes and penalties so collected in the manner hereinafter
10 provided, and to determine all rights to credit memoranda
11 arising on account of the erroneous payment of tax or penalty
12 hereunder. In the administration of, and compliance with, this
13 Section the Department and persons who are subject to this
14 Section shall have the same rights, remedies, privileges,
15 immunities, powers and duties, and be subject to the same
16 conditions, restrictions, limitations, penalties and
17 definitions of terms, and employ the same modes of procedure,
18 as are prescribed in Sections 1a-1, 2, 2a, 3 through 3-50 (in
19 respect to all provisions therein other than the State rate of
20 tax), 4 (except that the reference to the State shall be to the
21 taxing municipality), 5, 7, 8 (except that the jurisdiction to
22 which the tax shall be a debt to the extent indicated in that
23 Section 8 shall be the taxing municipality), 9 (except as to
24 the disposition of taxes and penalties collected, and except
25 that the returned merchandise credit for this municipal tax
26 may not be taken against any State tax, and except that the

1 retailer's discount is not allowed for taxes paid on aviation
2 fuel that are subject to the revenue use requirements of 49
3 U.S.C. 47107(b) and 49 U.S.C. 47133), 10, 11, 12 (except the
4 reference therein to Section 2b of the Retailers' Occupation
5 Tax Act), 13 (except that any reference to the State shall mean
6 the taxing municipality), the first paragraph of Section 15,
7 16, 17, 18, 19 and 20 of the Service Occupation Tax Act and
8 Section 3-7 of the Uniform Penalty and Interest Act, as fully
9 as if those provisions were set forth herein.

10 No municipality may impose a tax under this Section unless
11 the municipality also imposes a tax at the same rate under
12 Section 8-11-1.3 of this Code.

13 Persons subject to any tax imposed pursuant to the
14 authority granted in this Section may reimburse themselves for
15 their serviceman's tax liability hereunder by separately
16 stating such tax as an additional charge, which charge may be
17 stated in combination, in a single amount, with State tax
18 which servicemen are authorized to collect under the Service
19 Use Tax Act, pursuant to such bracket schedules as the
20 Department may prescribe.

21 Whenever the Department determines that a refund should be
22 made under this Section to a claimant instead of issuing
23 credit memorandum, the Department shall notify the State
24 Comptroller, who shall cause the order to be drawn for the
25 amount specified, and to the person named, in such
26 notification from the Department. Such refund shall be paid by

1 the State Treasurer out of the municipal retailers' occupation
2 tax fund or the Local Government Aviation Trust Fund, as
3 appropriate.

4 Except as otherwise provided in this paragraph, the
5 Department shall forthwith pay over to the State Treasurer, ex
6 officio, as trustee, all taxes and penalties collected
7 hereunder for deposit into the municipal retailers' occupation
8 tax fund. Taxes and penalties collected on aviation fuel sold
9 on or after December 1, 2019, shall be immediately paid over by
10 the Department to the State Treasurer, ex officio, as trustee,
11 for deposit into the Local Government Aviation Trust Fund. The
12 Department shall only pay moneys into the Local Government
13 Aviation Trust Fund under this Section for so long as the
14 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
15 47133 are binding on the municipality.

16 As soon as possible after the first day of each month,
17 beginning January 1, 2011, upon certification of the
18 Department of Revenue, the Comptroller shall order
19 transferred, and the Treasurer shall transfer, to the STAR
20 Bonds Revenue Fund the local sales tax increment, as defined
21 in the Innovation Development and Economy Act, collected under
22 this Section during the second preceding calendar month for
23 sales within a STAR bond district.

24 After the monthly transfer to the STAR Bonds Revenue Fund,
25 on or before the 25th day of each calendar month, the
26 Department shall prepare and certify to the Comptroller the

1 disbursement of stated sums of money to named municipalities,
2 the municipalities to be those from which suppliers and
3 servicemen have paid taxes or penalties hereunder to the
4 Department during the second preceding calendar month. The
5 amount to be paid to each municipality shall be the amount (not
6 including credit memoranda and not including taxes and
7 penalties collected on aviation fuel sold on or after December
8 1, 2019) collected hereunder during the second preceding
9 calendar month by the Department, and not including an amount
10 equal to the amount of refunds made during the second
11 preceding calendar month by the Department on behalf of such
12 municipality, and not including any amounts that are
13 transferred to the STAR Bonds Revenue Fund, less 1.5% of the
14 remainder, which the Department shall transfer into the Tax
15 Compliance and Administration Fund. The Department, at the
16 time of each monthly disbursement to the municipalities, shall
17 prepare and certify to the State Comptroller the amount to be
18 transferred into the Tax Compliance and Administration Fund
19 under this Section. Within 10 days after receipt, by the
20 Comptroller, of the disbursement certification to the
21 municipalities, the General Revenue Fund, and the Tax
22 Compliance and Administration Fund provided for in this
23 Section to be given to the Comptroller by the Department, the
24 Comptroller shall cause the orders to be drawn for the
25 respective amounts in accordance with the directions contained
26 in such certification.

1 The Department of Revenue shall implement Public Act
2 91-649 so as to collect the tax on and after January 1, 2002.

3 Nothing in this Section shall be construed to authorize a
4 municipality to impose a tax upon the privilege of engaging in
5 any business which under the constitution of the United States
6 may not be made the subject of taxation by this State.

7 As used in this Section, "municipal" or "municipality"
8 means or refers to a city, village or incorporated town,
9 including an incorporated town which has superseded a civil
10 township.

11 This Section shall be known and may be cited as the
12 "Non-Home Rule Municipal Service Occupation Tax Act".

13 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;
14 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-81, eff.
15 7-12-19; 101-604, eff. 12-13-19.)

16 (65 ILCS 5/8-11-1.6)

17 Sec. 8-11-1.6. Non-home rule municipal retailers'
18 occupation tax; municipalities between 20,000 and 25,000. The
19 corporate authorities of a non-home rule municipality with a
20 population of more than 20,000 but less than 25,000 that has,
21 prior to January 1, 1987, established a Redevelopment Project
22 Area that has been certified as a State Sales Tax Boundary and
23 has issued bonds or otherwise incurred indebtedness to pay for
24 costs in excess of \$5,000,000, which is secured in part by a
25 tax increment allocation fund, in accordance with the

1 provisions of Division 11-74.4 of this Code may, by passage of
2 an ordinance, impose a tax upon all persons engaged in the
3 business of selling tangible personal property, other than on
4 an item of tangible personal property that is titled and
5 registered by an agency of this State's Government, at retail
6 in the municipality. This tax may not be imposed on tangible
7 personal property taxed at the 1% rate under the Retailers'
8 Occupation Tax Act (or at the 0% rate imposed under this
9 amendatory Act of the 102nd General Assembly). Beginning
10 December 1, 2019, this tax is not imposed on sales of aviation
11 fuel unless the tax revenue is expended for airport-related
12 purposes. If a municipality does not have an airport-related
13 purpose to which it dedicates aviation fuel tax revenue, then
14 aviation fuel is excluded from the tax. Each municipality must
15 comply with the certification requirements for airport-related
16 purposes under Section 2-22 of the Retailers' Occupation Tax
17 Act. For purposes of this Section, "airport-related purposes"
18 has the meaning ascribed in Section 6z-20.2 of the State
19 Finance Act. This exclusion for aviation fuel only applies for
20 so long as the revenue use requirements of 49 U.S.C. 47107(b)
21 and 49 U.S.C. 47133 are binding on the municipality. If
22 imposed, the tax shall only be imposed in .25% increments of
23 the gross receipts from such sales made in the course of
24 business. Any tax imposed by a municipality under this Section
25 and all civil penalties that may be assessed as an incident
26 thereof shall be collected and enforced by the State

1 Department of Revenue. An ordinance imposing a tax hereunder
2 or effecting a change in the rate thereof shall be adopted and
3 a certified copy thereof filed with the Department on or
4 before the first day of October, whereupon the Department
5 shall proceed to administer and enforce this Section as of the
6 first day of January next following such adoption and filing.
7 The certificate of registration that is issued by the
8 Department to a retailer under the Retailers' Occupation Tax
9 Act shall permit the retailer to engage in a business that is
10 taxable under any ordinance or resolution enacted under this
11 Section without registering separately with the Department
12 under the ordinance or resolution or under this Section. The
13 Department shall have full power to administer and enforce
14 this Section, to collect all taxes and penalties due
15 hereunder, to dispose of taxes and penalties so collected in
16 the manner hereinafter provided, and to determine all rights
17 to credit memoranda, arising on account of the erroneous
18 payment of tax or penalty hereunder. In the administration of,
19 and compliance with this Section, the Department and persons
20 who are subject to this Section shall have the same rights,
21 remedies, privileges, immunities, powers, and duties, and be
22 subject to the same conditions, restrictions, limitations,
23 penalties, and definitions of terms, and employ the same modes
24 of procedure, as are prescribed in Sections 1, 1a, 1a-1, 1d,
25 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to all provisions
26 therein other than the State rate of tax), 2c, 3 (except as to

1 the disposition of taxes and penalties collected, and except
2 that the retailer's discount is not allowed for taxes paid on
3 aviation fuel that are subject to the revenue use requirements
4 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5, 5a, 5b, 5c,
5 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9,
6 10, 11, 12 and 13 of the Retailers' Occupation Tax Act and
7 Section 3-7 of the Uniform Penalty and Interest Act as fully as
8 if those provisions were set forth herein.

9 A tax may not be imposed by a municipality under this
10 Section unless the municipality also imposes a tax at the same
11 rate under Section 8-11-1.7 of this Act.

12 Persons subject to any tax imposed under the authority
13 granted in this Section may reimburse themselves for their
14 seller's tax liability hereunder by separately stating the tax
15 as an additional charge, which charge may be stated in
16 combination, in a single amount, with State tax which sellers
17 are required to collect under the Use Tax Act, pursuant to such
18 bracket schedules as the Department may prescribe.

19 Whenever the Department determines that a refund should be
20 made under this Section to a claimant, instead of issuing a
21 credit memorandum, the Department shall notify the State
22 Comptroller, who shall cause the order to be drawn for the
23 amount specified, and to the person named in the notification
24 from the Department. The refund shall be paid by the State
25 Treasurer out of the Non-Home Rule Municipal Retailers'
26 Occupation Tax Fund, which is hereby created or the Local

1 Government Aviation Trust Fund, as appropriate.

2 Except as otherwise provided in this paragraph, the
3 Department shall forthwith pay over to the State Treasurer, ex
4 officio, as trustee, all taxes and penalties collected
5 hereunder for deposit into the Non-Home Rule Municipal
6 Retailers' Occupation Tax Fund. Taxes and penalties collected
7 on aviation fuel sold on or after December 1, 2019, shall be
8 immediately paid over by the Department to the State
9 Treasurer, ex officio, as trustee, for deposit into the Local
10 Government Aviation Trust Fund. The Department shall only pay
11 moneys into the Local Government Aviation Trust Fund under
12 this Section for so long as the revenue use requirements of 49
13 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
14 municipality.

15 As soon as possible after the first day of each month,
16 beginning January 1, 2011, upon certification of the
17 Department of Revenue, the Comptroller shall order
18 transferred, and the Treasurer shall transfer, to the STAR
19 Bonds Revenue Fund the local sales tax increment, as defined
20 in the Innovation Development and Economy Act, collected under
21 this Section during the second preceding calendar month for
22 sales within a STAR bond district.

23 After the monthly transfer to the STAR Bonds Revenue Fund,
24 on or before the 25th day of each calendar month, the
25 Department shall prepare and certify to the Comptroller the
26 disbursement of stated sums of money to named municipalities,

1 the municipalities to be those from which retailers have paid
2 taxes or penalties hereunder to the Department during the
3 second preceding calendar month. The amount to be paid to each
4 municipality shall be the amount (not including credit
5 memoranda and not including taxes and penalties collected on
6 aviation fuel sold on or after December 1, 2019) collected
7 hereunder during the second preceding calendar month by the
8 Department plus an amount the Department determines is
9 necessary to offset any amounts that were erroneously paid to
10 a different taxing body, and not including an amount equal to
11 the amount of refunds made during the second preceding
12 calendar month by the Department on behalf of the
13 municipality, and not including any amount that the Department
14 determines is necessary to offset any amounts that were
15 payable to a different taxing body but were erroneously paid
16 to the municipality, and not including any amounts that are
17 transferred to the STAR Bonds Revenue Fund, less 1.5% of the
18 remainder, which the Department shall transfer into the Tax
19 Compliance and Administration Fund. The Department, at the
20 time of each monthly disbursement to the municipalities, shall
21 prepare and certify to the State Comptroller the amount to be
22 transferred into the Tax Compliance and Administration Fund
23 under this Section. Within 10 days after receipt by the
24 Comptroller of the disbursement certification to the
25 municipalities and the Tax Compliance and Administration Fund
26 provided for in this Section to be given to the Comptroller by

1 the Department, the Comptroller shall cause the orders to be
2 drawn for the respective amounts in accordance with the
3 directions contained in the certification.

4 For the purpose of determining the local governmental unit
5 whose tax is applicable, a retail sale by a producer of coal or
6 other mineral mined in Illinois is a sale at retail at the
7 place where the coal or other mineral mined in Illinois is
8 extracted from the earth. This paragraph does not apply to
9 coal or other mineral when it is delivered or shipped by the
10 seller to the purchaser at a point outside Illinois so that the
11 sale is exempt under the federal Constitution as a sale in
12 interstate or foreign commerce.

13 Nothing in this Section shall be construed to authorize a
14 municipality to impose a tax upon the privilege of engaging in
15 any business which under the constitution of the United States
16 may not be made the subject of taxation by this State.

17 When certifying the amount of a monthly disbursement to a
18 municipality under this Section, the Department shall increase
19 or decrease the amount by an amount necessary to offset any
20 misallocation of previous disbursements. The offset amount
21 shall be the amount erroneously disbursed within the previous
22 6 months from the time a misallocation is discovered.

23 As used in this Section, "municipal" and "municipality"
24 means a city, village, or incorporated town, including an
25 incorporated town that has superseded a civil township.

26 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;

1 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; 101-10, eff.
2 6-5-19; 101-81, eff. 7-12-19; 101-604, eff. 12-13-19.)

3 (65 ILCS 5/8-11-1.7)

4 Sec. 8-11-1.7. Non-home rule municipal service occupation
5 tax; municipalities between 20,000 and 25,000. The corporate
6 authorities of a non-home rule municipality with a population
7 of more than 20,000 but less than 25,000 as determined by the
8 last preceding decennial census that has, prior to January 1,
9 1987, established a Redevelopment Project Area that has been
10 certified as a State Sales Tax Boundary and has issued bonds or
11 otherwise incurred indebtedness to pay for costs in excess of
12 \$5,000,000, which is secured in part by a tax increment
13 allocation fund, in accordance with the provisions of Division
14 11-74.4 of this Code may, by passage of an ordinance, impose a
15 tax upon all persons engaged in the municipality in the
16 business of making sales of service. If imposed, the tax shall
17 only be imposed in .25% increments of the selling price of all
18 tangible personal property transferred by such servicemen
19 either in the form of tangible personal property or in the form
20 of real estate as an incident to a sale of service. This tax
21 may not be imposed on tangible personal property taxed at the
22 1% rate under the Service Occupation Tax Act (or at the 0% rate
23 imposed under this amendatory Act of the 102nd General
24 Assembly). Beginning December 1, 2019, this tax is not imposed
25 on sales of aviation fuel unless the tax revenue is expended

1 for airport-related purposes. If a municipality does not have
2 an airport-related purpose to which it dedicates aviation fuel
3 tax revenue, then aviation fuel is excluded from the tax. Each
4 municipality must comply with the certification requirements
5 for airport-related purposes under Section 2-22 of the
6 Retailers' Occupation Tax Act. For purposes of this Section,
7 "airport-related purposes" has the meaning ascribed in Section
8 6z-20.2 of the State Finance Act. This exclusion for aviation
9 fuel only applies for so long as the revenue use requirements
10 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
11 municipality. The tax imposed by a municipality under this
12 Section and all civil penalties that may be assessed as an
13 incident thereof shall be collected and enforced by the State
14 Department of Revenue. An ordinance imposing a tax hereunder
15 or effecting a change in the rate thereof shall be adopted and
16 a certified copy thereof filed with the Department on or
17 before the first day of October, whereupon the Department
18 shall proceed to administer and enforce this Section as of the
19 first day of January next following such adoption and filing.
20 The certificate of registration that is issued by the
21 Department to a retailer under the Retailers' Occupation Tax
22 Act or under the Service Occupation Tax Act shall permit the
23 registrant to engage in a business that is taxable under any
24 ordinance or resolution enacted under this Section without
25 registering separately with the Department under the ordinance
26 or resolution or under this Section. The Department shall have

1 full power to administer and enforce this Section, to collect
2 all taxes and penalties due hereunder, to dispose of taxes and
3 penalties so collected in a manner hereinafter provided, and
4 to determine all rights to credit memoranda arising on account
5 of the erroneous payment of tax or penalty hereunder. In the
6 administration of and compliance with this Section, the
7 Department and persons who are subject to this Section shall
8 have the same rights, remedies, privileges, immunities,
9 powers, and duties, and be subject to the same conditions,
10 restrictions, limitations, penalties and definitions of terms,
11 and employ the same modes of procedure, as are prescribed in
12 Sections 1a-1, 2, 2a, 3 through 3-50 (in respect to all
13 provisions therein other than the State rate of tax), 4
14 (except that the reference to the State shall be to the taxing
15 municipality), 5, 7, 8 (except that the jurisdiction to which
16 the tax shall be a debt to the extent indicated in that Section
17 8 shall be the taxing municipality), 9 (except as to the
18 disposition of taxes and penalties collected, and except that
19 the returned merchandise credit for this municipal tax may not
20 be taken against any State tax, and except that the retailer's
21 discount is not allowed for taxes paid on aviation fuel that
22 are subject to the revenue use requirements of 49 U.S.C.
23 47107(b) and 49 U.S.C. 47133), 10, 11, 12, (except the
24 reference therein to Section 2b of the Retailers' Occupation
25 Tax Act), 13 (except that any reference to the State shall mean
26 the taxing municipality), the first paragraph of Sections 15,

1 16, 17, 18, 19, and 20 of the Service Occupation Tax Act and
2 Section 3-7 of the Uniform Penalty and Interest Act, as fully
3 as if those provisions were set forth herein.

4 A tax may not be imposed by a municipality under this
5 Section unless the municipality also imposes a tax at the same
6 rate under Section 8-11-1.6 of this Act.

7 Person subject to any tax imposed under the authority
8 granted in this Section may reimburse themselves for their
9 servicemen's tax liability hereunder by separately stating the
10 tax as an additional charge, which charge may be stated in
11 combination, in a single amount, with State tax that
12 servicemen are authorized to collect under the Service Use Tax
13 Act, under such bracket schedules as the Department may
14 prescribe.

15 Whenever the Department determines that a refund should be
16 made under this Section to a claimant instead of issuing
17 credit memorandum, the Department shall notify the State
18 Comptroller, who shall cause the order to be drawn for the
19 amount specified, and to the person named, in such
20 notification from the Department. The refund shall be paid by
21 the State Treasurer out of the Non-Home Rule Municipal
22 Retailers' Occupation Tax Fund or the Local Government
23 Aviation Trust Fund, as appropriate.

24 Except as otherwise provided in this paragraph, the
25 Department shall forthwith pay over to the State Treasurer, ex
26 officio, as trustee, all taxes and penalties collected

1 hereunder for deposit into the Non-Home Rule Municipal
2 Retailers' Occupation Tax Fund. Taxes and penalties collected
3 on aviation fuel sold on or after December 1, 2019, shall be
4 immediately paid over by the Department to the State
5 Treasurer, ex officio, as trustee, for deposit into the Local
6 Government Aviation Trust Fund. The Department shall only pay
7 moneys into the Local Government Aviation Trust Fund under
8 this Section for so long as the revenue use requirements of 49
9 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
10 Municipality.

11 As soon as possible after the first day of each month,
12 beginning January 1, 2011, upon certification of the
13 Department of Revenue, the Comptroller shall order
14 transferred, and the Treasurer shall transfer, to the STAR
15 Bonds Revenue Fund the local sales tax increment, as defined
16 in the Innovation Development and Economy Act, collected under
17 this Section during the second preceding calendar month for
18 sales within a STAR bond district.

19 After the monthly transfer to the STAR Bonds Revenue Fund,
20 on or before the 25th day of each calendar month, the
21 Department shall prepare and certify to the Comptroller the
22 disbursement of stated sums of money to named municipalities,
23 the municipalities to be those from which suppliers and
24 servicemen have paid taxes or penalties hereunder to the
25 Department during the second preceding calendar month. The
26 amount to be paid to each municipality shall be the amount (not

1 including credit memoranda and not including taxes and
2 penalties collected on aviation fuel sold on or after December
3 1, 2019) collected hereunder during the second preceding
4 calendar month by the Department, and not including an amount
5 equal to the amount of refunds made during the second
6 preceding calendar month by the Department on behalf of such
7 municipality, and not including any amounts that are
8 transferred to the STAR Bonds Revenue Fund, less 1.5% of the
9 remainder, which the Department shall transfer into the Tax
10 Compliance and Administration Fund. The Department, at the
11 time of each monthly disbursement to the municipalities, shall
12 prepare and certify to the State Comptroller the amount to be
13 transferred into the Tax Compliance and Administration Fund
14 under this Section. Within 10 days after receipt by the
15 Comptroller of the disbursement certification to the
16 municipalities, the Tax Compliance and Administration Fund,
17 and the General Revenue Fund, provided for in this Section to
18 be given to the Comptroller by the Department, the Comptroller
19 shall cause the orders to be drawn for the respective amounts
20 in accordance with the directions contained in the
21 certification.

22 When certifying the amount of a monthly disbursement to a
23 municipality under this Section, the Department shall increase
24 or decrease the amount by an amount necessary to offset any
25 misallocation of previous disbursements. The offset amount
26 shall be the amount erroneously disbursed within the previous

1 6 months from the time a misallocation is discovered.

2 Nothing in this Section shall be construed to authorize a
3 municipality to impose a tax upon the privilege of engaging in
4 any business which under the constitution of the United States
5 may not be made the subject of taxation by this State.

6 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;
7 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; 101-10, eff.
8 6-5-19; 101-81, eff. 7-12-19; 101-604, eff. 12-13-19.)

9 (65 ILCS 5/8-11-5) (from Ch. 24, par. 8-11-5)

10 Sec. 8-11-5. Home Rule Municipal Service Occupation Tax
11 Act. The corporate authorities of a home rule municipality may
12 impose a tax upon all persons engaged, in such municipality,
13 in the business of making sales of service at the same rate of
14 tax imposed pursuant to Section 8-11-1, of the selling price
15 of all tangible personal property transferred by such
16 servicemen either in the form of tangible personal property or
17 in the form of real estate as an incident to a sale of service.
18 If imposed, such tax shall only be imposed in 1/4% increments.
19 On and after September 1, 1991, this additional tax may not be
20 imposed on tangible personal property taxed at the 1% rate
21 under the Service Retailers' Occupation Tax Act (or at the 0%
22 rate imposed under this amendatory Act of the 102nd General
23 Assembly). Beginning December 1, 2019, this tax may not be
24 imposed on sales of aviation fuel unless the tax revenue is
25 expended for airport-related purposes. If a municipality does

1 not have an airport-related purpose to which it dedicates
2 aviation fuel tax revenue, then aviation fuel shall be
3 excluded from tax. Each municipality must comply with the
4 certification requirements for airport-related purposes under
5 Section 2-22 of the Retailers' Occupation Tax Act. For
6 purposes of this Section, "airport-related purposes" has the
7 meaning ascribed in Section 6z-20.2 of the State Finance Act.
8 This exception for aviation fuel only applies for so long as
9 the revenue use requirements of 49 U.S.C. 47107(b) and 49
10 U.S.C. 47133 are binding on the State. The changes made to this
11 Section by this amendatory Act of the 101st General Assembly
12 are a denial and limitation of home rule powers and functions
13 under subsection (g) of Section 6 of Article VII of the
14 Illinois Constitution. The tax imposed by a home rule
15 municipality pursuant to this Section and all civil penalties
16 that may be assessed as an incident thereof shall be collected
17 and enforced by the State Department of Revenue. The
18 certificate of registration which is issued by the Department
19 to a retailer under the Retailers' Occupation Tax Act or under
20 the Service Occupation Tax Act shall permit such registrant to
21 engage in a business which is taxable under any ordinance or
22 resolution enacted pursuant to this Section without
23 registering separately with the Department under such
24 ordinance or resolution or under this Section. The Department
25 shall have full power to administer and enforce this Section;
26 to collect all taxes and penalties due hereunder; to dispose

1 of taxes and penalties so collected in the manner hereinafter
2 provided, and to determine all rights to credit memoranda
3 arising on account of the erroneous payment of tax or penalty
4 hereunder. In the administration of, and compliance with, this
5 Section the Department and persons who are subject to this
6 Section shall have the same rights, remedies, privileges,
7 immunities, powers and duties, and be subject to the same
8 conditions, restrictions, limitations, penalties and
9 definitions of terms, and employ the same modes of procedure,
10 as are prescribed in Sections 1a-1, 2, 2a, 3 through 3-50 (in
11 respect to all provisions therein other than the State rate of
12 tax), 4 (except that the reference to the State shall be to the
13 taxing municipality), 5, 7, 8 (except that the jurisdiction to
14 which the tax shall be a debt to the extent indicated in that
15 Section 8 shall be the taxing municipality), 9 (except as to
16 the disposition of taxes and penalties collected, and except
17 that the returned merchandise credit for this municipal tax
18 may not be taken against any State tax, and except that the
19 retailer's discount is not allowed for taxes paid on aviation
20 fuel that are subject to the revenue use requirements of 49
21 U.S.C. 47107(b) and 49 U.S.C. 47133), 10, 11, 12 (except the
22 reference therein to Section 2b of the Retailers' Occupation
23 Tax Act), 13 (except that any reference to the State shall mean
24 the taxing municipality), the first paragraph of Section 15,
25 16, 17 (except that credit memoranda issued hereunder may not
26 be used to discharge any State tax liability), 18, 19 and 20 of

1 the Service Occupation Tax Act and Section 3-7 of the Uniform
2 Penalty and Interest Act, as fully as if those provisions were
3 set forth herein.

4 No tax may be imposed by a home rule municipality pursuant
5 to this Section unless such municipality also imposes a tax at
6 the same rate pursuant to Section 8-11-1 of this Act.

7 Persons subject to any tax imposed pursuant to the
8 authority granted in this Section may reimburse themselves for
9 their serviceman's tax liability hereunder by separately
10 stating such tax as an additional charge, which charge may be
11 stated in combination, in a single amount, with State tax
12 which servicemen are authorized to collect under the Service
13 Use Tax Act, pursuant to such bracket schedules as the
14 Department may prescribe.

15 Whenever the Department determines that a refund should be
16 made under this Section to a claimant instead of issuing
17 credit memorandum, the Department shall notify the State
18 Comptroller, who shall cause the order to be drawn for the
19 amount specified, and to the person named, in such
20 notification from the Department. Such refund shall be paid by
21 the State Treasurer out of the home rule municipal retailers'
22 occupation tax fund or the Local Government Aviation Trust
23 Fund, as appropriate.

24 Except as otherwise provided in this paragraph, the
25 Department shall forthwith pay over to the State Treasurer, ex
26 officio, as trustee, all taxes and penalties collected

1 hereunder for deposit into the Home Rule Municipal Retailers'
2 Occupation Tax Fund. Taxes and penalties collected on aviation
3 fuel sold on or after December 1, 2019, shall be immediately
4 paid over by the Department to the State Treasurer, ex
5 officio, as trustee, for deposit into the Local Government
6 Aviation Trust Fund. The Department shall only pay moneys into
7 the Local Government Aviation Trust Fund under this Section
8 for so long as the revenue use requirements of 49 U.S.C.
9 47107(b) and 49 U.S.C. 47133 are binding on the municipality.

10 As soon as possible after the first day of each month,
11 beginning January 1, 2011, upon certification of the
12 Department of Revenue, the Comptroller shall order
13 transferred, and the Treasurer shall transfer, to the STAR
14 Bonds Revenue Fund the local sales tax increment, as defined
15 in the Innovation Development and Economy Act, collected under
16 this Section during the second preceding calendar month for
17 sales within a STAR bond district.

18 After the monthly transfer to the STAR Bonds Revenue Fund,
19 on or before the 25th day of each calendar month, the
20 Department shall prepare and certify to the Comptroller the
21 disbursement of stated sums of money to named municipalities,
22 the municipalities to be those from which suppliers and
23 servicemen have paid taxes or penalties hereunder to the
24 Department during the second preceding calendar month. The
25 amount to be paid to each municipality shall be the amount (not
26 including credit memoranda and not including taxes and

1 penalties collected on aviation fuel sold on or after December
2 1, 2019) collected hereunder during the second preceding
3 calendar month by the Department, and not including an amount
4 equal to the amount of refunds made during the second
5 preceding calendar month by the Department on behalf of such
6 municipality, and not including any amounts that are
7 transferred to the STAR Bonds Revenue Fund, less 1.5% of the
8 remainder, which the Department shall transfer into the Tax
9 Compliance and Administration Fund. The Department, at the
10 time of each monthly disbursement to the municipalities, shall
11 prepare and certify to the State Comptroller the amount to be
12 transferred into the Tax Compliance and Administration Fund
13 under this Section. Within 10 days after receipt, by the
14 Comptroller, of the disbursement certification to the
15 municipalities and the Tax Compliance and Administration Fund
16 provided for in this Section to be given to the Comptroller by
17 the Department, the Comptroller shall cause the orders to be
18 drawn for the respective amounts in accordance with the
19 directions contained in such certification.

20 In addition to the disbursement required by the preceding
21 paragraph and in order to mitigate delays caused by
22 distribution procedures, an allocation shall, if requested, be
23 made within 10 days after January 14, 1991, and in November of
24 1991 and each year thereafter, to each municipality that
25 received more than \$500,000 during the preceding fiscal year,
26 (July 1 through June 30) whether collected by the municipality

1 or disbursed by the Department as required by this Section.
2 Within 10 days after January 14, 1991, participating
3 municipalities shall notify the Department in writing of their
4 intent to participate. In addition, for the initial
5 distribution, participating municipalities shall certify to
6 the Department the amounts collected by the municipality for
7 each month under its home rule occupation and service
8 occupation tax during the period July 1, 1989 through June 30,
9 1990. The allocation within 10 days after January 14, 1991,
10 shall be in an amount equal to the monthly average of these
11 amounts, excluding the 2 months of highest receipts. Monthly
12 average for the period of July 1, 1990 through June 30, 1991
13 will be determined as follows: the amounts collected by the
14 municipality under its home rule occupation and service
15 occupation tax during the period of July 1, 1990 through
16 September 30, 1990, plus amounts collected by the Department
17 and paid to such municipality through June 30, 1991, excluding
18 the 2 months of highest receipts. The monthly average for each
19 subsequent period of July 1 through June 30 shall be an amount
20 equal to the monthly distribution made to each such
21 municipality under the preceding paragraph during this period,
22 excluding the 2 months of highest receipts. The distribution
23 made in November 1991 and each year thereafter under this
24 paragraph and the preceding paragraph shall be reduced by the
25 amount allocated and disbursed under this paragraph in the
26 preceding period of July 1 through June 30. The Department

1 shall prepare and certify to the Comptroller for disbursement
2 the allocations made in accordance with this paragraph.

3 Nothing in this Section shall be construed to authorize a
4 municipality to impose a tax upon the privilege of engaging in
5 any business which under the constitution of the United States
6 may not be made the subject of taxation by this State.

7 An ordinance or resolution imposing or discontinuing a tax
8 hereunder or effecting a change in the rate thereof shall be
9 adopted and a certified copy thereof filed with the Department
10 on or before the first day of June, whereupon the Department
11 shall proceed to administer and enforce this Section as of the
12 first day of September next following such adoption and
13 filing. Beginning January 1, 1992, an ordinance or resolution
14 imposing or discontinuing the tax hereunder or effecting a
15 change in the rate thereof shall be adopted and a certified
16 copy thereof filed with the Department on or before the first
17 day of July, whereupon the Department shall proceed to
18 administer and enforce this Section as of the first day of
19 October next following such adoption and filing. Beginning
20 January 1, 1993, an ordinance or resolution imposing or
21 discontinuing the tax hereunder or effecting a change in the
22 rate thereof shall be adopted and a certified copy thereof
23 filed with the Department on or before the first day of
24 October, whereupon the Department shall proceed to administer
25 and enforce this Section as of the first day of January next
26 following such adoption and filing. However, a municipality

1 located in a county with a population in excess of 3,000,000
2 that elected to become a home rule unit at the general primary
3 election in 1994 may adopt an ordinance or resolution imposing
4 the tax under this Section and file a certified copy of the
5 ordinance or resolution with the Department on or before July
6 1, 1994. The Department shall then proceed to administer and
7 enforce this Section as of October 1, 1994. Beginning April 1,
8 1998, an ordinance or resolution imposing or discontinuing the
9 tax hereunder or effecting a change in the rate thereof shall
10 either (i) be adopted and a certified copy thereof filed with
11 the Department on or before the first day of April, whereupon
12 the Department shall proceed to administer and enforce this
13 Section as of the first day of July next following the adoption
14 and filing; or (ii) be adopted and a certified copy thereof
15 filed with the Department on or before the first day of
16 October, whereupon the Department shall proceed to administer
17 and enforce this Section as of the first day of January next
18 following the adoption and filing.

19 Any unobligated balance remaining in the Municipal
20 Retailers' Occupation Tax Fund on December 31, 1989, which
21 fund was abolished by Public Act 85-1135, and all receipts of
22 municipal tax as a result of audits of liability periods prior
23 to January 1, 1990, shall be paid into the Local Government Tax
24 Fund, for distribution as provided by this Section prior to
25 the enactment of Public Act 85-1135. All receipts of municipal
26 tax as a result of an assessment not arising from an audit, for

1 liability periods prior to January 1, 1990, shall be paid into
2 the Local Government Tax Fund for distribution before July 1,
3 1990, as provided by this Section prior to the enactment of
4 Public Act 85-1135, and on and after July 1, 1990, all such
5 receipts shall be distributed as provided in Section 6z-18 of
6 the State Finance Act.

7 As used in this Section, "municipal" and "municipality"
8 means a city, village or incorporated town, including an
9 incorporated town which has superseded a civil township.

10 This Section shall be known and may be cited as the Home
11 Rule Municipal Service Occupation Tax Act.

12 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;
13 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-81, eff.
14 7-12-19; 101-604, eff. 12-13-19.)

15 (65 ILCS 5/11-74.3-6)

16 Sec. 11-74.3-6. Business district revenue and obligations;
17 business district tax allocation fund.

18 (a) If the corporate authorities of a municipality have
19 approved a business district plan, have designated a business
20 district, and have elected to impose a tax by ordinance
21 pursuant to subsection (10) or (11) of Section 11-74.3-3, then
22 each year after the date of the approval of the ordinance but
23 terminating upon the date all business district project costs
24 and all obligations paying or reimbursing business district
25 project costs, if any, have been paid, but in no event later

1 than the dissolution date, all amounts generated by the
2 retailers' occupation tax and service occupation tax shall be
3 collected and the tax shall be enforced by the Department of
4 Revenue in the same manner as all retailers' occupation taxes
5 and service occupation taxes imposed in the municipality
6 imposing the tax and all amounts generated by the hotel
7 operators' occupation tax shall be collected and the tax shall
8 be enforced by the municipality in the same manner as all hotel
9 operators' occupation taxes imposed in the municipality
10 imposing the tax. The corporate authorities of the
11 municipality shall deposit the proceeds of the taxes imposed
12 under subsections (10) and (11) of Section 11-74.3-3 into a
13 special fund of the municipality called the "[Name of]
14 Business District Tax Allocation Fund" for the purpose of
15 paying or reimbursing business district project costs and
16 obligations incurred in the payment of those costs.

17 (b) The corporate authorities of a municipality that has
18 designated a business district under this Law may, by
19 ordinance, impose a Business District Retailers' Occupation
20 Tax upon all persons engaged in the business of selling
21 tangible personal property, other than an item of tangible
22 personal property titled or registered with an agency of this
23 State's government, at retail in the business district at a
24 rate not to exceed 1% of the gross receipts from the sales made
25 in the course of such business, to be imposed only in 0.25%
26 increments. The tax may not be imposed on tangible personal

1 property taxed at the rate of 1% under the Retailers'
2 Occupation Tax Act (or at the 0% rate imposed under this
3 amendatory Act of the 102nd General Assembly). Beginning
4 December 1, 2019 and through December 31, 2020, this tax is not
5 imposed on sales of aviation fuel unless the tax revenue is
6 expended for airport-related purposes. If the District does
7 not have an airport-related purpose to which it dedicates
8 aviation fuel tax revenue, then aviation fuel is excluded from
9 the tax. Each municipality must comply with the certification
10 requirements for airport-related purposes under Section 2-22
11 of the Retailers' Occupation Tax Act. For purposes of this
12 Section, "airport-related purposes" has the meaning ascribed
13 in Section 6z-20.2 of the State Finance Act. Beginning January
14 1, 2021, this tax is not imposed on sales of aviation fuel for
15 so long as the revenue use requirements of 49 U.S.C. 47107(b)
16 and 49 U.S.C. 47133 are binding on the District.

17 The tax imposed under this subsection and all civil
18 penalties that may be assessed as an incident thereof shall be
19 collected and enforced by the Department of Revenue. The
20 certificate of registration that is issued by the Department
21 to a retailer under the Retailers' Occupation Tax Act shall
22 permit the retailer to engage in a business that is taxable
23 under any ordinance or resolution enacted pursuant to this
24 subsection without registering separately with the Department
25 under such ordinance or resolution or under this subsection.
26 The Department of Revenue shall have full power to administer

1 and enforce this subsection; to collect all taxes and
2 penalties due under this subsection in the manner hereinafter
3 provided; and to determine all rights to credit memoranda
4 arising on account of the erroneous payment of tax or penalty
5 under this subsection. In the administration of, and
6 compliance with, this subsection, the Department and persons
7 who are subject to this subsection shall have the same rights,
8 remedies, privileges, immunities, powers and duties, and be
9 subject to the same conditions, restrictions, limitations,
10 penalties, exclusions, exemptions, and definitions of terms
11 and employ the same modes of procedure, as are prescribed in
12 Sections 1, 1a through 1o, 2 through 2-65 (in respect to all
13 provisions therein other than the State rate of tax), 2c
14 through 2h, 3 (except as to the disposition of taxes and
15 penalties collected, and except that the retailer's discount
16 is not allowed for taxes paid on aviation fuel that are subject
17 to the revenue use requirements of 49 U.S.C. 47107(b) and 49
18 U.S.C. 47133), 4, 5, 5a, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 5k, 5l, 6,
19 6a, 6b, 6c, 7, 8, 9, 10, 11, 12, 13, and 14 of the Retailers'
20 Occupation Tax Act and all provisions of the Uniform Penalty
21 and Interest Act, as fully as if those provisions were set
22 forth herein.

23 Persons subject to any tax imposed under this subsection
24 may reimburse themselves for their seller's tax liability
25 under this subsection by separately stating the tax as an
26 additional charge, which charge may be stated in combination,

1 in a single amount, with State taxes that sellers are required
2 to collect under the Use Tax Act, in accordance with such
3 bracket schedules as the Department may prescribe.

4 Whenever the Department determines that a refund should be
5 made under this subsection to a claimant instead of issuing a
6 credit memorandum, the Department shall notify the State
7 Comptroller, who shall cause the order to be drawn for the
8 amount specified and to the person named in the notification
9 from the Department. The refund shall be paid by the State
10 Treasurer out of the business district retailers' occupation
11 tax fund or the Local Government Aviation Trust Fund, as
12 appropriate.

13 Except as otherwise provided in this paragraph, the
14 Department shall immediately pay over to the State Treasurer,
15 ex officio, as trustee, all taxes, penalties, and interest
16 collected under this subsection for deposit into the business
17 district retailers' occupation tax fund. Taxes and penalties
18 collected on aviation fuel sold on or after December 1, 2019,
19 shall be immediately paid over by the Department to the State
20 Treasurer, ex officio, as trustee, for deposit into the Local
21 Government Aviation Trust Fund. The Department shall only pay
22 moneys into the Local Government Aviation Trust Fund under
23 this Section for so long as the revenue use requirements of 49
24 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
25 District.

26 As soon as possible after the first day of each month,

1 beginning January 1, 2011, upon certification of the
2 Department of Revenue, the Comptroller shall order
3 transferred, and the Treasurer shall transfer, to the STAR
4 Bonds Revenue Fund the local sales tax increment, as defined
5 in the Innovation Development and Economy Act, collected under
6 this subsection during the second preceding calendar month for
7 sales within a STAR bond district.

8 After the monthly transfer to the STAR Bonds Revenue Fund,
9 on or before the 25th day of each calendar month, the
10 Department shall prepare and certify to the Comptroller the
11 disbursement of stated sums of money to named municipalities
12 from the business district retailers' occupation tax fund, the
13 municipalities to be those from which retailers have paid
14 taxes or penalties under this subsection to the Department
15 during the second preceding calendar month. The amount to be
16 paid to each municipality shall be the amount (not including
17 credit memoranda and not including taxes and penalties
18 collected on aviation fuel sold on or after December 1, 2019)
19 collected under this subsection during the second preceding
20 calendar month by the Department plus an amount the Department
21 determines is necessary to offset any amounts that were
22 erroneously paid to a different taxing body, and not including
23 an amount equal to the amount of refunds made during the second
24 preceding calendar month by the Department, less 2% of that
25 amount (except the amount collected on aviation fuel sold on
26 or after December 1, 2019), which shall be deposited into the

1 Tax Compliance and Administration Fund and shall be used by
2 the Department, subject to appropriation, to cover the costs
3 of the Department in administering and enforcing the
4 provisions of this subsection, on behalf of such municipality,
5 and not including any amount that the Department determines is
6 necessary to offset any amounts that were payable to a
7 different taxing body but were erroneously paid to the
8 municipality, and not including any amounts that are
9 transferred to the STAR Bonds Revenue Fund. Within 10 days
10 after receipt by the Comptroller of the disbursement
11 certification to the municipalities provided for in this
12 subsection to be given to the Comptroller by the Department,
13 the Comptroller shall cause the orders to be drawn for the
14 respective amounts in accordance with the directions contained
15 in the certification. The proceeds of the tax paid to
16 municipalities under this subsection shall be deposited into
17 the Business District Tax Allocation Fund by the municipality.

18 An ordinance imposing or discontinuing the tax under this
19 subsection or effecting a change in the rate thereof shall
20 either (i) be adopted and a certified copy thereof filed with
21 the Department on or before the first day of April, whereupon
22 the Department, if all other requirements of this subsection
23 are met, shall proceed to administer and enforce this
24 subsection as of the first day of July next following the
25 adoption and filing; or (ii) be adopted and a certified copy
26 thereof filed with the Department on or before the first day of

1 October, whereupon, if all other requirements of this
2 subsection are met, the Department shall proceed to administer
3 and enforce this subsection as of the first day of January next
4 following the adoption and filing.

5 The Department of Revenue shall not administer or enforce
6 an ordinance imposing, discontinuing, or changing the rate of
7 the tax under this subsection, until the municipality also
8 provides, in the manner prescribed by the Department, the
9 boundaries of the business district and each address in the
10 business district in such a way that the Department can
11 determine by its address whether a business is located in the
12 business district. The municipality must provide this boundary
13 and address information to the Department on or before April 1
14 for administration and enforcement of the tax under this
15 subsection by the Department beginning on the following July 1
16 and on or before October 1 for administration and enforcement
17 of the tax under this subsection by the Department beginning
18 on the following January 1. The Department of Revenue shall
19 not administer or enforce any change made to the boundaries of
20 a business district or address change, addition, or deletion
21 until the municipality reports the boundary change or address
22 change, addition, or deletion to the Department in the manner
23 prescribed by the Department. The municipality must provide
24 this boundary change information or address change, addition,
25 or deletion to the Department on or before April 1 for
26 administration and enforcement by the Department of the change

1 beginning on the following July 1 and on or before October 1
2 for administration and enforcement by the Department of the
3 change beginning on the following January 1. The retailers in
4 the business district shall be responsible for charging the
5 tax imposed under this subsection. If a retailer is
6 incorrectly included or excluded from the list of those
7 required to collect the tax under this subsection, both the
8 Department of Revenue and the retailer shall be held harmless
9 if they reasonably relied on information provided by the
10 municipality.

11 A municipality that imposes the tax under this subsection
12 must submit to the Department of Revenue any other information
13 as the Department may require for the administration and
14 enforcement of the tax.

15 When certifying the amount of a monthly disbursement to a
16 municipality under this subsection, the Department shall
17 increase or decrease the amount by an amount necessary to
18 offset any misallocation of previous disbursements. The offset
19 amount shall be the amount erroneously disbursed within the
20 previous 6 months from the time a misallocation is discovered.

21 Nothing in this subsection shall be construed to authorize
22 the municipality to impose a tax upon the privilege of
23 engaging in any business which under the Constitution of the
24 United States may not be made the subject of taxation by this
25 State.

26 If a tax is imposed under this subsection (b), a tax shall

1 also be imposed under subsection (c) of this Section.

2 (c) If a tax has been imposed under subsection (b), a
3 Business District Service Occupation Tax shall also be imposed
4 upon all persons engaged, in the business district, in the
5 business of making sales of service, who, as an incident to
6 making those sales of service, transfer tangible personal
7 property within the business district, either in the form of
8 tangible personal property or in the form of real estate as an
9 incident to a sale of service. The tax shall be imposed at the
10 same rate as the tax imposed in subsection (b) and shall not
11 exceed 1% of the selling price of tangible personal property
12 so transferred within the business district, to be imposed
13 only in 0.25% increments. The tax may not be imposed on
14 tangible personal property taxed at the 1% rate under the
15 Service Occupation Tax Act (or at the 0% rate imposed under
16 this amendatory Act of the 102nd General Assembly). Beginning
17 December 1, 2019, this tax is not imposed on sales of aviation
18 fuel unless the tax revenue is expended for airport-related
19 purposes. If the District does not have an airport-related
20 purpose to which it dedicates aviation fuel tax revenue, then
21 aviation fuel is excluded from the tax. Each municipality must
22 comply with the certification requirements for airport-related
23 purposes under Section 2-22 of the Retailers' Occupation Tax
24 Act. For purposes of this Act, "airport-related purposes" has
25 the meaning ascribed in Section 6z-20.2 of the State Finance
26 Act. Beginning January 1, 2021, this tax is not imposed on

1 sales of aviation fuel for so long as the revenue use
2 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
3 binding on the District.

4 The tax imposed under this subsection and all civil
5 penalties that may be assessed as an incident thereof shall be
6 collected and enforced by the Department of Revenue. The
7 certificate of registration which is issued by the Department
8 to a retailer under the Retailers' Occupation Tax Act or under
9 the Service Occupation Tax Act shall permit such registrant to
10 engage in a business which is taxable under any ordinance or
11 resolution enacted pursuant to this subsection without
12 registering separately with the Department under such
13 ordinance or resolution or under this subsection. The
14 Department of Revenue shall have full power to administer and
15 enforce this subsection; to collect all taxes and penalties
16 due under this subsection; to dispose of taxes and penalties
17 so collected in the manner hereinafter provided; and to
18 determine all rights to credit memoranda arising on account of
19 the erroneous payment of tax or penalty under this subsection.
20 In the administration of, and compliance with this subsection,
21 the Department and persons who are subject to this subsection
22 shall have the same rights, remedies, privileges, immunities,
23 powers and duties, and be subject to the same conditions,
24 restrictions, limitations, penalties, exclusions, exemptions,
25 and definitions of terms and employ the same modes of
26 procedure as are prescribed in Sections 2, 2a through 2d, 3

1 through 3-50 (in respect to all provisions therein other than
2 the State rate of tax), 4 (except that the reference to the
3 State shall be to the business district), 5, 7, 8 (except that
4 the jurisdiction to which the tax shall be a debt to the extent
5 indicated in that Section 8 shall be the municipality), 9
6 (except as to the disposition of taxes and penalties
7 collected, and except that the returned merchandise credit for
8 this tax may not be taken against any State tax, and except
9 that the retailer's discount is not allowed for taxes paid on
10 aviation fuel that are subject to the revenue use requirements
11 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 10, 11, 12 (except
12 the reference therein to Section 2b of the Retailers'
13 Occupation Tax Act), 13 (except that any reference to the
14 State shall mean the municipality), the first paragraph of
15 Section 15, and Sections 16, 17, 18, 19 and 20 of the Service
16 Occupation Tax Act and all provisions of the Uniform Penalty
17 and Interest Act, as fully as if those provisions were set
18 forth herein.

19 Persons subject to any tax imposed under the authority
20 granted in this subsection may reimburse themselves for their
21 serviceman's tax liability hereunder by separately stating the
22 tax as an additional charge, which charge may be stated in
23 combination, in a single amount, with State tax that
24 servicemen are authorized to collect under the Service Use Tax
25 Act, in accordance with such bracket schedules as the
26 Department may prescribe.

1 Whenever the Department determines that a refund should be
2 made under this subsection to a claimant instead of issuing
3 credit memorandum, the Department shall notify the State
4 Comptroller, who shall cause the order to be drawn for the
5 amount specified, and to the person named, in such
6 notification from the Department. Such refund shall be paid by
7 the State Treasurer out of the business district retailers'
8 occupation tax fund or the Local Government Aviation Trust
9 Fund, as appropriate.

10 Except as otherwise provided in this paragraph, the
11 Department shall forthwith pay over to the State Treasurer,
12 ex-officio, as trustee, all taxes, penalties, and interest
13 collected under this subsection for deposit into the business
14 district retailers' occupation tax fund. Taxes and penalties
15 collected on aviation fuel sold on or after December 1, 2019,
16 shall be immediately paid over by the Department to the State
17 Treasurer, ex officio, as trustee, for deposit into the Local
18 Government Aviation Trust Fund. The Department shall only pay
19 moneys into the Local Government Aviation Trust Fund under
20 this Section for so long as the revenue use requirements of 49
21 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
22 District.

23 As soon as possible after the first day of each month,
24 beginning January 1, 2011, upon certification of the
25 Department of Revenue, the Comptroller shall order
26 transferred, and the Treasurer shall transfer, to the STAR

1 Bonds Revenue Fund the local sales tax increment, as defined
2 in the Innovation Development and Economy Act, collected under
3 this subsection during the second preceding calendar month for
4 sales within a STAR bond district.

5 After the monthly transfer to the STAR Bonds Revenue Fund,
6 on or before the 25th day of each calendar month, the
7 Department shall prepare and certify to the Comptroller the
8 disbursement of stated sums of money to named municipalities
9 from the business district retailers' occupation tax fund, the
10 municipalities to be those from which suppliers and servicemen
11 have paid taxes or penalties under this subsection to the
12 Department during the second preceding calendar month. The
13 amount to be paid to each municipality shall be the amount (not
14 including credit memoranda and not including taxes and
15 penalties collected on aviation fuel sold on or after December
16 1, 2019) collected under this subsection during the second
17 preceding calendar month by the Department, less 2% of that
18 amount (except the amount collected on aviation fuel sold on
19 or after December 1, 2019), which shall be deposited into the
20 Tax Compliance and Administration Fund and shall be used by
21 the Department, subject to appropriation, to cover the costs
22 of the Department in administering and enforcing the
23 provisions of this subsection, and not including an amount
24 equal to the amount of refunds made during the second
25 preceding calendar month by the Department on behalf of such
26 municipality, and not including any amounts that are

1 transferred to the STAR Bonds Revenue Fund. Within 10 days
2 after receipt, by the Comptroller, of the disbursement
3 certification to the municipalities, provided for in this
4 subsection to be given to the Comptroller by the Department,
5 the Comptroller shall cause the orders to be drawn for the
6 respective amounts in accordance with the directions contained
7 in such certification. The proceeds of the tax paid to
8 municipalities under this subsection shall be deposited into
9 the Business District Tax Allocation Fund by the municipality.

10 An ordinance imposing or discontinuing the tax under this
11 subsection or effecting a change in the rate thereof shall
12 either (i) be adopted and a certified copy thereof filed with
13 the Department on or before the first day of April, whereupon
14 the Department, if all other requirements of this subsection
15 are met, shall proceed to administer and enforce this
16 subsection as of the first day of July next following the
17 adoption and filing; or (ii) be adopted and a certified copy
18 thereof filed with the Department on or before the first day of
19 October, whereupon, if all other conditions of this subsection
20 are met, the Department shall proceed to administer and
21 enforce this subsection as of the first day of January next
22 following the adoption and filing.

23 The Department of Revenue shall not administer or enforce
24 an ordinance imposing, discontinuing, or changing the rate of
25 the tax under this subsection, until the municipality also
26 provides, in the manner prescribed by the Department, the

1 boundaries of the business district in such a way that the
2 Department can determine by its address whether a business is
3 located in the business district. The municipality must
4 provide this boundary and address information to the
5 Department on or before April 1 for administration and
6 enforcement of the tax under this subsection by the Department
7 beginning on the following July 1 and on or before October 1
8 for administration and enforcement of the tax under this
9 subsection by the Department beginning on the following
10 January 1. The Department of Revenue shall not administer or
11 enforce any change made to the boundaries of a business
12 district or address change, addition, or deletion until the
13 municipality reports the boundary change or address change,
14 addition, or deletion to the Department in the manner
15 prescribed by the Department. The municipality must provide
16 this boundary change information or address change, addition,
17 or deletion to the Department on or before April 1 for
18 administration and enforcement by the Department of the change
19 beginning on the following July 1 and on or before October 1
20 for administration and enforcement by the Department of the
21 change beginning on the following January 1. The retailers in
22 the business district shall be responsible for charging the
23 tax imposed under this subsection. If a retailer is
24 incorrectly included or excluded from the list of those
25 required to collect the tax under this subsection, both the
26 Department of Revenue and the retailer shall be held harmless

1 if they reasonably relied on information provided by the
2 municipality.

3 A municipality that imposes the tax under this subsection
4 must submit to the Department of Revenue any other information
5 as the Department may require for the administration and
6 enforcement of the tax.

7 Nothing in this subsection shall be construed to authorize
8 the municipality to impose a tax upon the privilege of
9 engaging in any business which under the Constitution of the
10 United States may not be made the subject of taxation by the
11 State.

12 If a tax is imposed under this subsection (c), a tax shall
13 also be imposed under subsection (b) of this Section.

14 (d) By ordinance, a municipality that has designated a
15 business district under this Law may impose an occupation tax
16 upon all persons engaged in the business district in the
17 business of renting, leasing, or letting rooms in a hotel, as
18 defined in the Hotel Operators' Occupation Tax Act, at a rate
19 not to exceed 1% of the gross rental receipts from the renting,
20 leasing, or letting of hotel rooms within the business
21 district, to be imposed only in 0.25% increments, excluding,
22 however, from gross rental receipts the proceeds of renting,
23 leasing, or letting to permanent residents of a hotel, as
24 defined in the Hotel Operators' Occupation Tax Act, and
25 proceeds from the tax imposed under subsection (c) of Section
26 13 of the Metropolitan Pier and Exposition Authority Act.

1 The tax imposed by the municipality under this subsection
2 and all civil penalties that may be assessed as an incident to
3 that tax shall be collected and enforced by the municipality
4 imposing the tax. The municipality shall have full power to
5 administer and enforce this subsection, to collect all taxes
6 and penalties due under this subsection, to dispose of taxes
7 and penalties so collected in the manner provided in this
8 subsection, and to determine all rights to credit memoranda
9 arising on account of the erroneous payment of tax or penalty
10 under this subsection. In the administration of and compliance
11 with this subsection, the municipality and persons who are
12 subject to this subsection shall have the same rights,
13 remedies, privileges, immunities, powers, and duties, shall be
14 subject to the same conditions, restrictions, limitations,
15 penalties, and definitions of terms, and shall employ the same
16 modes of procedure as are employed with respect to a tax
17 adopted by the municipality under Section 8-3-14 of this Code.

18 Persons subject to any tax imposed under the authority
19 granted in this subsection may reimburse themselves for their
20 tax liability for that tax by separately stating that tax as an
21 additional charge, which charge may be stated in combination,
22 in a single amount, with State taxes imposed under the Hotel
23 Operators' Occupation Tax Act, and with any other tax.

24 Nothing in this subsection shall be construed to authorize
25 a municipality to impose a tax upon the privilege of engaging
26 in any business which under the Constitution of the United

1 States may not be made the subject of taxation by this State.

2 The proceeds of the tax imposed under this subsection
3 shall be deposited into the Business District Tax Allocation
4 Fund.

5 (e) Obligations secured by the Business District Tax
6 Allocation Fund may be issued to provide for the payment or
7 reimbursement of business district project costs. Those
8 obligations, when so issued, shall be retired in the manner
9 provided in the ordinance authorizing the issuance of those
10 obligations by the receipts of taxes imposed pursuant to
11 subsections (10) and (11) of Section 11-74.3-3 and by other
12 revenue designated or pledged by the municipality. A
13 municipality may in the ordinance pledge, for any period of
14 time up to and including the dissolution date, all or any part
15 of the funds in and to be deposited in the Business District
16 Tax Allocation Fund to the payment of business district
17 project costs and obligations. Whenever a municipality pledges
18 all of the funds to the credit of a business district tax
19 allocation fund to secure obligations issued or to be issued
20 to pay or reimburse business district project costs, the
21 municipality may specifically provide that funds remaining to
22 the credit of such business district tax allocation fund after
23 the payment of such obligations shall be accounted for
24 annually and shall be deemed to be "surplus" funds, and such
25 "surplus" funds shall be expended by the municipality for any
26 business district project cost as approved in the business

1 district plan. Whenever a municipality pledges less than all
2 of the monies to the credit of a business district tax
3 allocation fund to secure obligations issued or to be issued
4 to pay or reimburse business district project costs, the
5 municipality shall provide that monies to the credit of the
6 business district tax allocation fund and not subject to such
7 pledge or otherwise encumbered or required for payment of
8 contractual obligations for specific business district project
9 costs shall be calculated annually and shall be deemed to be
10 "surplus" funds, and such "surplus" funds shall be expended by
11 the municipality for any business district project cost as
12 approved in the business district plan.

13 No obligation issued pursuant to this Law and secured by a
14 pledge of all or any portion of any revenues received or to be
15 received by the municipality from the imposition of taxes
16 pursuant to subsection (10) of Section 11-74.3-3, shall be
17 deemed to constitute an economic incentive agreement under
18 Section 8-11-20, notwithstanding the fact that such pledge
19 provides for the sharing, rebate, or payment of retailers'
20 occupation taxes or service occupation taxes imposed pursuant
21 to subsection (10) of Section 11-74.3-3 and received or to be
22 received by the municipality from the development or
23 redevelopment of properties in the business district.

24 Without limiting the foregoing in this Section, the
25 municipality may further secure obligations secured by the
26 business district tax allocation fund with a pledge, for a

1 period not greater than the term of the obligations and in any
2 case not longer than the dissolution date, of any part or any
3 combination of the following: (i) net revenues of all or part
4 of any business district project; (ii) taxes levied or imposed
5 by the municipality on any or all property in the
6 municipality, including, specifically, taxes levied or imposed
7 by the municipality in a special service area pursuant to the
8 Special Service Area Tax Law; (iii) the full faith and credit
9 of the municipality; (iv) a mortgage on part or all of the
10 business district project; or (v) any other taxes or
11 anticipated receipts that the municipality may lawfully
12 pledge.

13 Such obligations may be issued in one or more series, bear
14 such date or dates, become due at such time or times as therein
15 provided, but in any case not later than (i) 20 years after the
16 date of issue or (ii) the dissolution date, whichever is
17 earlier, bear interest payable at such intervals and at such
18 rate or rates as set forth therein, except as may be limited by
19 applicable law, which rate or rates may be fixed or variable,
20 be in such denominations, be in such form, either coupon,
21 registered, or book-entry, carry such conversion, registration
22 and exchange privileges, be subject to defeasance upon such
23 terms, have such rank or priority, be executed in such manner,
24 be payable in such medium or payment at such place or places
25 within or without the State, make provision for a corporate
26 trustee within or without the State with respect to such

1 obligations, prescribe the rights, powers, and duties thereof
2 to be exercised for the benefit of the municipality and the
3 benefit of the owners of such obligations, provide for the
4 holding in trust, investment, and use of moneys, funds, and
5 accounts held under an ordinance, provide for assignment of
6 and direct payment of the moneys to pay such obligations or to
7 be deposited into such funds or accounts directly to such
8 trustee, be subject to such terms of redemption with or
9 without premium, and be sold at such price, all as the
10 corporate authorities shall determine. No referendum approval
11 of the electors shall be required as a condition to the
12 issuance of obligations pursuant to this Law except as
13 provided in this Section.

14 In the event the municipality authorizes the issuance of
15 obligations pursuant to the authority of this Law secured by
16 the full faith and credit of the municipality, or pledges ad
17 valorem taxes pursuant to this subsection, which obligations
18 are other than obligations which may be issued under home rule
19 powers provided by Section 6 of Article VII of the Illinois
20 Constitution or which ad valorem taxes are other than ad
21 valorem taxes which may be pledged under home rule powers
22 provided by Section 6 of Article VII of the Illinois
23 Constitution or which are levied in a special service area
24 pursuant to the Special Service Area Tax Law, the ordinance
25 authorizing the issuance of those obligations or pledging
26 those taxes shall be published within 10 days after the

1 ordinance has been adopted, in a newspaper having a general
2 circulation within the municipality. The publication of the
3 ordinance shall be accompanied by a notice of (i) the specific
4 number of voters required to sign a petition requesting the
5 question of the issuance of the obligations or pledging such
6 ad valorem taxes to be submitted to the electors; (ii) the time
7 within which the petition must be filed; and (iii) the date of
8 the prospective referendum. The municipal clerk shall provide
9 a petition form to any individual requesting one.

10 If no petition is filed with the municipal clerk, as
11 hereinafter provided in this Section, within 21 days after the
12 publication of the ordinance, the ordinance shall be in
13 effect. However, if within that 21-day period a petition is
14 filed with the municipal clerk, signed by electors numbering
15 not less than 15% of the number of electors voting for the
16 mayor or president at the last general municipal election,
17 asking that the question of issuing obligations using full
18 faith and credit of the municipality as security for the cost
19 of paying or reimbursing business district project costs, or
20 of pledging such ad valorem taxes for the payment of those
21 obligations, or both, be submitted to the electors of the
22 municipality, the municipality shall not be authorized to
23 issue obligations of the municipality using the full faith and
24 credit of the municipality as security or pledging such ad
25 valorem taxes for the payment of those obligations, or both,
26 until the proposition has been submitted to and approved by a

1 majority of the voters voting on the proposition at a
2 regularly scheduled election. The municipality shall certify
3 the proposition to the proper election authorities for
4 submission in accordance with the general election law.

5 The ordinance authorizing the obligations may provide that
6 the obligations shall contain a recital that they are issued
7 pursuant to this Law, which recital shall be conclusive
8 evidence of their validity and of the regularity of their
9 issuance.

10 In the event the municipality authorizes issuance of
11 obligations pursuant to this Law secured by the full faith and
12 credit of the municipality, the ordinance authorizing the
13 obligations may provide for the levy and collection of a
14 direct annual tax upon all taxable property within the
15 municipality sufficient to pay the principal thereof and
16 interest thereon as it matures, which levy may be in addition
17 to and exclusive of the maximum of all other taxes authorized
18 to be levied by the municipality, which levy, however, shall
19 be abated to the extent that monies from other sources are
20 available for payment of the obligations and the municipality
21 certifies the amount of those monies available to the county
22 clerk.

23 A certified copy of the ordinance shall be filed with the
24 county clerk of each county in which any portion of the
25 municipality is situated, and shall constitute the authority
26 for the extension and collection of the taxes to be deposited

1 in the business district tax allocation fund.

2 A municipality may also issue its obligations to refund,
3 in whole or in part, obligations theretofore issued by the
4 municipality under the authority of this Law, whether at or
5 prior to maturity. However, the last maturity of the refunding
6 obligations shall not be expressed to mature later than the
7 dissolution date.

8 In the event a municipality issues obligations under home
9 rule powers or other legislative authority, the proceeds of
10 which are pledged to pay or reimburse business district
11 project costs, the municipality may, if it has followed the
12 procedures in conformance with this Law, retire those
13 obligations from funds in the business district tax allocation
14 fund in amounts and in such manner as if those obligations had
15 been issued pursuant to the provisions of this Law.

16 No obligations issued pursuant to this Law shall be
17 regarded as indebtedness of the municipality issuing those
18 obligations or any other taxing district for the purpose of
19 any limitation imposed by law.

20 Obligations issued pursuant to this Law shall not be
21 subject to the provisions of the Bond Authorization Act.

22 (f) When business district project costs, including,
23 without limitation, all obligations paying or reimbursing
24 business district project costs have been paid, any surplus
25 funds then remaining in the Business District Tax Allocation
26 Fund shall be distributed to the municipal treasurer for

1 deposit into the general corporate fund of the municipality.
2 Upon payment of all business district project costs and
3 retirement of all obligations paying or reimbursing business
4 district project costs, but in no event more than 23 years
5 after the date of adoption of the ordinance imposing taxes
6 pursuant to subsection (10) or (11) of Section 11-74.3-3, the
7 municipality shall adopt an ordinance immediately rescinding
8 the taxes imposed pursuant to subsection (10) or (11) of
9 Section 11-74.3-3.

10 (Source: P.A. 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19;
11 101-604, eff. 12-13-19.)

12 Section 60-50. The Flood Prevention District Act is
13 amended by changing Section 25 as follows:

14 (70 ILCS 750/25)

15 Sec. 25. Flood prevention retailers' and service
16 occupation taxes.

17 (a) If the Board of Commissioners of a flood prevention
18 district determines that an emergency situation exists
19 regarding levee repair or flood prevention, and upon an
20 ordinance confirming the determination adopted by the
21 affirmative vote of a majority of the members of the county
22 board of the county in which the district is situated, the
23 county may impose a flood prevention retailers' occupation tax
24 upon all persons engaged in the business of selling tangible

1 personal property at retail within the territory of the
2 district to provide revenue to pay the costs of providing
3 emergency levee repair and flood prevention and to secure the
4 payment of bonds, notes, and other evidences of indebtedness
5 issued under this Act for a period not to exceed 25 years or as
6 required to repay the bonds, notes, and other evidences of
7 indebtedness issued under this Act. The tax rate shall be
8 0.25% of the gross receipts from all taxable sales made in the
9 course of that business. Beginning December 1, 2019 and
10 through December 31, 2020, this tax is not imposed on sales of
11 aviation fuel unless the tax revenue is expended for
12 airport-related purposes. If the District does not have an
13 airport-related purpose to which it dedicates aviation fuel
14 tax revenue, then aviation fuel is excluded from the tax. The
15 County must comply with the certification requirements for
16 airport-related purposes under Section 2-22 of the Retailers'
17 Occupation Tax Act. The tax imposed under this Section and all
18 civil penalties that may be assessed as an incident thereof
19 shall be collected and enforced by the State Department of
20 Revenue. The Department shall have full power to administer
21 and enforce this Section; to collect all taxes and penalties
22 so collected in the manner hereinafter provided; and to
23 determine all rights to credit memoranda arising on account of
24 the erroneous payment of tax or penalty hereunder.

25 For purposes of this Act, "airport-related purposes" has
26 the meaning ascribed in Section 6z-20.2 of the State Finance

1 Act. Beginning January 1, 2021, this tax is not imposed on
2 sales of aviation fuel for so long as the revenue use
3 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
4 binding on the District.

5 In the administration of and compliance with this
6 subsection, the Department and persons who are subject to this
7 subsection (i) have the same rights, remedies, privileges,
8 immunities, powers, and duties, (ii) are subject to the same
9 conditions, restrictions, limitations, penalties, and
10 definitions of terms, and (iii) shall employ the same modes of
11 procedure as are set forth in Sections 1 through 1o, 2 through
12 2-70 (in respect to all provisions contained in those Sections
13 other than the State rate of tax), 2a through 2h, 3 (except as
14 to the disposition of taxes and penalties collected, and
15 except that the retailer's discount is not allowed for taxes
16 paid on aviation fuel that are subject to the revenue use
17 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5,
18 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5l, 6, 6a, 6b, 6c, 6d, 7,
19 8, 9, 10, 11, 11a, 12, and 13 of the Retailers' Occupation Tax
20 Act and all provisions of the Uniform Penalty and Interest Act
21 as if those provisions were set forth in this subsection.

22 Persons subject to any tax imposed under this Section may
23 reimburse themselves for their seller's tax liability
24 hereunder by separately stating the tax as an additional
25 charge, which charge may be stated in combination in a single
26 amount with State taxes that sellers are required to collect

1 under the Use Tax Act, under any bracket schedules the
2 Department may prescribe.

3 If a tax is imposed under this subsection (a), a tax shall
4 also be imposed under subsection (b) of this Section.

5 (b) If a tax has been imposed under subsection (a), a flood
6 prevention service occupation tax shall also be imposed upon
7 all persons engaged within the territory of the district in
8 the business of making sales of service, who, as an incident to
9 making the sales of service, transfer tangible personal
10 property, either in the form of tangible personal property or
11 in the form of real estate as an incident to a sale of service
12 to provide revenue to pay the costs of providing emergency
13 levee repair and flood prevention and to secure the payment of
14 bonds, notes, and other evidences of indebtedness issued under
15 this Act for a period not to exceed 25 years or as required to
16 repay the bonds, notes, and other evidences of indebtedness.
17 The tax rate shall be 0.25% of the selling price of all
18 tangible personal property transferred. Beginning December 1,
19 2019 and through December 31, 2020, this tax is not imposed on
20 sales of aviation fuel unless the tax revenue is expended for
21 airport-related purposes. If the District does not have an
22 airport-related purpose to which it dedicates aviation fuel
23 tax revenue, then aviation fuel is excluded from the tax. The
24 County must comply with the certification requirements for
25 airport-related purposes under Section 2-22 of the Retailers'
26 Occupation Tax Act. For purposes of this Act, "airport-related

1 purposes" has the meaning ascribed in Section 6z-20.2 of the
2 State Finance Act. Beginning January 1, 2021, this tax is not
3 imposed on sales of aviation fuel for so long as the revenue
4 use requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
5 binding on the District.

6 The tax imposed under this subsection and all civil
7 penalties that may be assessed as an incident thereof shall be
8 collected and enforced by the State Department of Revenue. The
9 Department shall have full power to administer and enforce
10 this subsection; to collect all taxes and penalties due
11 hereunder; to dispose of taxes and penalties collected in the
12 manner hereinafter provided; and to determine all rights to
13 credit memoranda arising on account of the erroneous payment
14 of tax or penalty hereunder.

15 In the administration of and compliance with this
16 subsection, the Department and persons who are subject to this
17 subsection shall (i) have the same rights, remedies,
18 privileges, immunities, powers, and duties, (ii) be subject to
19 the same conditions, restrictions, limitations, penalties, and
20 definitions of terms, and (iii) employ the same modes of
21 procedure as are set forth in Sections 2 (except that the
22 reference to State in the definition of supplier maintaining a
23 place of business in this State means the district), 2a
24 through 2d, 3 through 3-50 (in respect to all provisions
25 contained in those Sections other than the State rate of tax),
26 4 (except that the reference to the State shall be to the

1 district), 5, 7, 8 (except that the jurisdiction to which the
2 tax is a debt to the extent indicated in that Section 8 is the
3 district), 9 (except as to the disposition of taxes and
4 penalties collected, and except that the retailer's discount
5 is not allowed for taxes paid on aviation fuel that are subject
6 to the revenue use requirements of 49 U.S.C. 47107(b) and 49
7 U.S.C. 47133), 10, 11, 12 (except the reference therein to
8 Section 2b of the Retailers' Occupation Tax Act), 13 (except
9 that any reference to the State means the district), Section
10 15, 16, 17, 18, 19, and 20 of the Service Occupation Tax Act
11 and all provisions of the Uniform Penalty and Interest Act, as
12 fully as if those provisions were set forth herein.

13 Persons subject to any tax imposed under the authority
14 granted in this subsection may reimburse themselves for their
15 serviceman's tax liability hereunder by separately stating the
16 tax as an additional charge, that charge may be stated in
17 combination in a single amount with State tax that servicemen
18 are authorized to collect under the Service Use Tax Act, under
19 any bracket schedules the Department may prescribe.

20 (c) The taxes imposed in subsections (a) and (b) may not be
21 imposed on personal property titled or registered with an
22 agency of the State or on personal property taxed at the 1%
23 rate under the Retailers' Occupation Tax Act and the Service
24 Occupation Tax Act (or at the 0% rate imposed under this
25 amendatory Act of the 102nd General Assembly).

26 (d) Nothing in this Section shall be construed to

1 authorize the district to impose a tax upon the privilege of
2 engaging in any business that under the Constitution of the
3 United States may not be made the subject of taxation by the
4 State.

5 (e) The certificate of registration that is issued by the
6 Department to a retailer under the Retailers' Occupation Tax
7 Act or a serviceman under the Service Occupation Tax Act
8 permits the retailer or serviceman to engage in a business
9 that is taxable without registering separately with the
10 Department under an ordinance or resolution under this
11 Section.

12 (f) Except as otherwise provided, the Department shall
13 immediately pay over to the State Treasurer, ex officio, as
14 trustee, all taxes and penalties collected under this Section
15 to be deposited into the Flood Prevention Occupation Tax Fund,
16 which shall be an unappropriated trust fund held outside the
17 State treasury. Taxes and penalties collected on aviation fuel
18 sold on or after December 1, 2019 and through December 31,
19 2020, shall be immediately paid over by the Department to the
20 State Treasurer, ex officio, as trustee, for deposit into the
21 Local Government Aviation Trust Fund. The Department shall
22 only pay moneys into the Local Government Aviation Trust Fund
23 under this Act for so long as the revenue use requirements of
24 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
25 District.

26 On or before the 25th day of each calendar month, the

1 Department shall prepare and certify to the Comptroller the
2 disbursement of stated sums of money to the counties from
3 which retailers or servicemen have paid taxes or penalties to
4 the Department during the second preceding calendar month. The
5 amount to be paid to each county is equal to the amount (not
6 including credit memoranda and not including taxes and
7 penalties collected on aviation fuel sold on or after December
8 1, 2019 and through December 31, 2020) collected from the
9 county under this Section during the second preceding calendar
10 month by the Department, (i) less 2% of that amount (except the
11 amount collected on aviation fuel sold on or after December 1,
12 2019 and through December 31, 2020), which shall be deposited
13 into the Tax Compliance and Administration Fund and shall be
14 used by the Department in administering and enforcing the
15 provisions of this Section on behalf of the county, (ii) plus
16 an amount that the Department determines is necessary to
17 offset any amounts that were erroneously paid to a different
18 taxing body; (iii) less an amount equal to the amount of
19 refunds made during the second preceding calendar month by the
20 Department on behalf of the county; and (iv) less any amount
21 that the Department determines is necessary to offset any
22 amounts that were payable to a different taxing body but were
23 erroneously paid to the county. When certifying the amount of
24 a monthly disbursement to a county under this Section, the
25 Department shall increase or decrease the amounts by an amount
26 necessary to offset any miscalculation of previous

1 disbursements within the previous 6 months from the time a
2 miscalculation is discovered.

3 Within 10 days after receipt by the Comptroller from the
4 Department of the disbursement certification to the counties
5 provided for in this Section, the Comptroller shall cause the
6 orders to be drawn for the respective amounts in accordance
7 with directions contained in the certification.

8 If the Department determines that a refund should be made
9 under this Section to a claimant instead of issuing a credit
10 memorandum, then the Department shall notify the Comptroller,
11 who shall cause the order to be drawn for the amount specified
12 and to the person named in the notification from the
13 Department. The refund shall be paid by the Treasurer out of
14 the Flood Prevention Occupation Tax Fund or the Local
15 Government Aviation Trust Fund, as appropriate.

16 (g) If a county imposes a tax under this Section, then the
17 county board shall, by ordinance, discontinue the tax upon the
18 payment of all indebtedness of the flood prevention district.
19 The tax shall not be discontinued until all indebtedness of
20 the District has been paid.

21 (h) Any ordinance imposing the tax under this Section, or
22 any ordinance that discontinues the tax, must be certified by
23 the county clerk and filed with the Illinois Department of
24 Revenue either (i) on or before the first day of April,
25 whereupon the Department shall proceed to administer and
26 enforce the tax or change in the rate as of the first day of

1 July next following the filing; or (ii) on or before the first
2 day of October, whereupon the Department shall proceed to
3 administer and enforce the tax or change in the rate as of the
4 first day of January next following the filing.

5 (j) County Flood Prevention Occupation Tax Fund. All
6 proceeds received by a county from a tax distribution under
7 this Section must be maintained in a special fund known as the
8 [name of county] flood prevention occupation tax fund. The
9 county shall, at the direction of the flood prevention
10 district, use moneys in the fund to pay the costs of providing
11 emergency levee repair and flood prevention and to pay bonds,
12 notes, and other evidences of indebtedness issued under this
13 Act.

14 (k) This Section may be cited as the Flood Prevention
15 Occupation Tax Law.

16 (Source: P.A. 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19;
17 101-604, eff. 12-13-19.)

18 Section 60-55. The Metro-East Park and Recreation District
19 Act is amended by changing Section 30 as follows:

20 (70 ILCS 1605/30)

21 Sec. 30. Taxes.

22 (a) The board shall impose a tax upon all persons engaged
23 in the business of selling tangible personal property, other
24 than personal property titled or registered with an agency of

1 this State's government, at retail in the District on the
2 gross receipts from the sales made in the course of business.
3 This tax shall be imposed only at the rate of one-tenth of one
4 per cent.

5 This additional tax may not be imposed on tangible
6 personal property taxed at the 1% rate under the Retailers'
7 Occupation Tax Act (or at the 0% rate imposed under this
8 amendatory Act of the 102nd General Assembly). Beginning
9 December 1, 2019 and through December 31, 2020, this tax is not
10 imposed on sales of aviation fuel unless the tax revenue is
11 expended for airport-related purposes. If the District does
12 not have an airport-related purpose to which it dedicates
13 aviation fuel tax revenue, then aviation fuel shall be
14 excluded from tax. The board must comply with the
15 certification requirements for airport-related purposes under
16 Section 2-22 of the Retailers' Occupation Tax Act. For
17 purposes of this Act, "airport-related purposes" has the
18 meaning ascribed in Section 6z-20.2 of the State Finance Act.
19 Beginning January 1, 2021, this tax is not imposed on sales of
20 aviation fuel for so long as the revenue use requirements of 49
21 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
22 District. The tax imposed by the Board under this Section and
23 all civil penalties that may be assessed as an incident of the
24 tax shall be collected and enforced by the Department of
25 Revenue. The certificate of registration that is issued by the
26 Department to a retailer under the Retailers' Occupation Tax

1 Act shall permit the retailer to engage in a business that is
2 taxable without registering separately with the Department
3 under an ordinance or resolution under this Section. The
4 Department has full power to administer and enforce this
5 Section, to collect all taxes and penalties due under this
6 Section, to dispose of taxes and penalties so collected in the
7 manner provided in this Section, and to determine all rights
8 to credit memoranda arising on account of the erroneous
9 payment of a tax or penalty under this Section. In the
10 administration of and compliance with this Section, the
11 Department and persons who are subject to this Section shall
12 (i) have the same rights, remedies, privileges, immunities,
13 powers, and duties, (ii) be subject to the same conditions,
14 restrictions, limitations, penalties, and definitions of
15 terms, and (iii) employ the same modes of procedure as are
16 prescribed in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 1k, 1m,
17 1n, 2, 2-5, 2-5.5, 2-10 (in respect to all provisions
18 contained in those Sections other than the State rate of tax),
19 2-12, 2-15 through 2-70, 2a, 2b, 2c, 3 (except provisions
20 relating to transaction returns and quarter monthly payments,
21 and except that the retailer's discount is not allowed for
22 taxes paid on aviation fuel that are subject to the revenue use
23 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5,
24 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c,
25 6d, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers'
26 Occupation Tax Act and the Uniform Penalty and Interest Act as

1 if those provisions were set forth in this Section.

2 Persons subject to any tax imposed under the authority
3 granted in this Section may reimburse themselves for their
4 sellers' tax liability by separately stating the tax as an
5 additional charge, which charge may be stated in combination,
6 in a single amount, with State tax which sellers are required
7 to collect under the Use Tax Act, pursuant to such bracketed
8 schedules as the Department may prescribe.

9 Whenever the Department determines that a refund should be
10 made under this Section to a claimant instead of issuing a
11 credit memorandum, the Department shall notify the State
12 Comptroller, who shall cause the order to be drawn for the
13 amount specified and to the person named in the notification
14 from the Department. The refund shall be paid by the State
15 Treasurer out of the State Metro-East Park and Recreation
16 District Fund or the Local Government Aviation Trust Fund, as
17 appropriate.

18 (b) If a tax has been imposed under subsection (a), a
19 service occupation tax shall also be imposed at the same rate
20 upon all persons engaged, in the District, in the business of
21 making sales of service, who, as an incident to making those
22 sales of service, transfer tangible personal property within
23 the District as an incident to a sale of service. This tax may
24 not be imposed on tangible personal property taxed at the 1%
25 rate under the Service Occupation Tax Act (or at the 0% rate
26 imposed under this amendatory Act of the 102nd General

1 Assembly). Beginning December 1, 2019 and through December 31,
2 2020, this tax may not be imposed on sales of aviation fuel
3 unless the tax revenue is expended for airport-related
4 purposes. If the District does not have an airport-related
5 purpose to which it dedicates aviation fuel tax revenue, then
6 aviation fuel shall be excluded from tax. The board must
7 comply with the certification requirements for airport-related
8 purposes under Section 2-22 of the Retailers' Occupation Tax
9 Act. For purposes of this Act, "airport-related purposes" has
10 the meaning ascribed in Section 6z-20.2 of the State Finance
11 Act. Beginning January 1, 2021, this tax is not imposed on
12 sales of aviation fuel for so long as the revenue use
13 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
14 binding on the District. The tax imposed under this subsection
15 and all civil penalties that may be assessed as an incident
16 thereof shall be collected and enforced by the Department of
17 Revenue. The Department has full power to administer and
18 enforce this subsection; to collect all taxes and penalties
19 due hereunder; to dispose of taxes and penalties so collected
20 in the manner hereinafter provided; and to determine all
21 rights to credit memoranda arising on account of the erroneous
22 payment of tax or penalty hereunder. In the administration of,
23 and compliance with this subsection, the Department and
24 persons who are subject to this paragraph shall (i) have the
25 same rights, remedies, privileges, immunities, powers, and
26 duties, (ii) be subject to the same conditions, restrictions,

1 limitations, penalties, exclusions, exemptions, and
2 definitions of terms, and (iii) employ the same modes of
3 procedure as are prescribed in Sections 2 (except that the
4 reference to State in the definition of supplier maintaining a
5 place of business in this State shall mean the District), 2a,
6 2b, 2c, 3 through 3-50 (in respect to all provisions therein
7 other than the State rate of tax), 4 (except that the reference
8 to the State shall be to the District), 5, 7, 8 (except that
9 the jurisdiction to which the tax shall be a debt to the extent
10 indicated in that Section 8 shall be the District), 9 (except
11 as to the disposition of taxes and penalties collected, and
12 except that the retailer's discount is not allowed for taxes
13 paid on aviation fuel that are subject to the revenue use
14 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 10,
15 11, 12 (except the reference therein to Section 2b of the
16 Retailers' Occupation Tax Act), 13 (except that any reference
17 to the State shall mean the District), Sections 15, 16, 17, 18,
18 19 and 20 of the Service Occupation Tax Act and the Uniform
19 Penalty and Interest Act, as fully as if those provisions were
20 set forth herein.

21 Persons subject to any tax imposed under the authority
22 granted in this subsection may reimburse themselves for their
23 serviceman's tax liability by separately stating the tax as an
24 additional charge, which charge may be stated in combination,
25 in a single amount, with State tax that servicemen are
26 authorized to collect under the Service Use Tax Act, in

1 accordance with such bracket schedules as the Department may
2 prescribe.

3 Whenever the Department determines that a refund should be
4 made under this subsection to a claimant instead of issuing a
5 credit memorandum, the Department shall notify the State
6 Comptroller, who shall cause the warrant to be drawn for the
7 amount specified, and to the person named, in the notification
8 from the Department. The refund shall be paid by the State
9 Treasurer out of the State Metro-East Park and Recreation
10 District Fund or the Local Government Aviation Trust Fund, as
11 appropriate.

12 Nothing in this subsection shall be construed to authorize
13 the board to impose a tax upon the privilege of engaging in any
14 business which under the Constitution of the United States may
15 not be made the subject of taxation by the State.

16 (c) Except as otherwise provided in this paragraph, the
17 Department shall immediately pay over to the State Treasurer,
18 ex officio, as trustee, all taxes and penalties collected
19 under this Section to be deposited into the State Metro-East
20 Park and Recreation District Fund, which shall be an
21 unappropriated trust fund held outside of the State treasury.
22 Taxes and penalties collected on aviation fuel sold on or
23 after December 1, 2019 and through December 31, 2020, shall be
24 immediately paid over by the Department to the State
25 Treasurer, ex officio, as trustee, for deposit into the Local
26 Government Aviation Trust Fund. The Department shall only pay

1 moneys into the Local Government Aviation Trust Fund under
2 this Act for so long as the revenue use requirements of 49
3 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
4 District.

5 As soon as possible after the first day of each month,
6 beginning January 1, 2011, upon certification of the
7 Department of Revenue, the Comptroller shall order
8 transferred, and the Treasurer shall transfer, to the STAR
9 Bonds Revenue Fund the local sales tax increment, as defined
10 in the Innovation Development and Economy Act, collected under
11 this Section during the second preceding calendar month for
12 sales within a STAR bond district. The Department shall make
13 this certification only if the Metro East Park and Recreation
14 District imposes a tax on real property as provided in the
15 definition of "local sales taxes" under the Innovation
16 Development and Economy Act.

17 After the monthly transfer to the STAR Bonds Revenue Fund,
18 on or before the 25th day of each calendar month, the
19 Department shall prepare and certify to the Comptroller the
20 disbursement of stated sums of money pursuant to Section 35 of
21 this Act to the District from which retailers have paid taxes
22 or penalties to the Department during the second preceding
23 calendar month. The amount to be paid to the District shall be
24 the amount (not including credit memoranda and not including
25 taxes and penalties collected on aviation fuel sold on or
26 after December 1, 2019 and through December 31, 2020)

1 collected under this Section during the second preceding
2 calendar month by the Department plus an amount the Department
3 determines is necessary to offset any amounts that were
4 erroneously paid to a different taxing body, and not including
5 (i) an amount equal to the amount of refunds made during the
6 second preceding calendar month by the Department on behalf of
7 the District, (ii) any amount that the Department determines
8 is necessary to offset any amounts that were payable to a
9 different taxing body but were erroneously paid to the
10 District, (iii) any amounts that are transferred to the STAR
11 Bonds Revenue Fund, and (iv) 1.5% of the remainder, which the
12 Department shall transfer into the Tax Compliance and
13 Administration Fund. The Department, at the time of each
14 monthly disbursement to the District, shall prepare and
15 certify to the State Comptroller the amount to be transferred
16 into the Tax Compliance and Administration Fund under this
17 subsection. Within 10 days after receipt by the Comptroller of
18 the disbursement certification to the District and the Tax
19 Compliance and Administration Fund provided for in this
20 Section to be given to the Comptroller by the Department, the
21 Comptroller shall cause the orders to be drawn for the
22 respective amounts in accordance with directions contained in
23 the certification.

24 (d) For the purpose of determining whether a tax
25 authorized under this Section is applicable, a retail sale by
26 a producer of coal or another mineral mined in Illinois is a

1 sale at retail at the place where the coal or other mineral
2 mined in Illinois is extracted from the earth. This paragraph
3 does not apply to coal or another mineral when it is delivered
4 or shipped by the seller to the purchaser at a point outside
5 Illinois so that the sale is exempt under the United States
6 Constitution as a sale in interstate or foreign commerce.

7 (e) Nothing in this Section shall be construed to
8 authorize the board to impose a tax upon the privilege of
9 engaging in any business that under the Constitution of the
10 United States may not be made the subject of taxation by this
11 State.

12 (f) An ordinance imposing a tax under this Section or an
13 ordinance extending the imposition of a tax to an additional
14 county or counties shall be certified by the board and filed
15 with the Department of Revenue either (i) on or before the
16 first day of April, whereupon the Department shall proceed to
17 administer and enforce the tax as of the first day of July next
18 following the filing; or (ii) on or before the first day of
19 October, whereupon the Department shall proceed to administer
20 and enforce the tax as of the first day of January next
21 following the filing.

22 (g) When certifying the amount of a monthly disbursement
23 to the District under this Section, the Department shall
24 increase or decrease the amounts by an amount necessary to
25 offset any misallocation of previous disbursements. The offset
26 amount shall be the amount erroneously disbursed within the

1 previous 6 months from the time a misallocation is discovered.
2 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;
3 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-81, eff.
4 7-12-19; 101-604, eff. 12-13-19.)

5 Section 60-60. The Regional Transportation Authority Act
6 is amended by changing Section 4.03 as follows:

7 (70 ILCS 3615/4.03) (from Ch. 111 2/3, par. 704.03)

8 Sec. 4.03. Taxes.

9 (a) In order to carry out any of the powers or purposes of
10 the Authority, the Board may by ordinance adopted with the
11 concurrence of 12 of the then Directors, impose throughout the
12 metropolitan region any or all of the taxes provided in this
13 Section. Except as otherwise provided in this Act, taxes
14 imposed under this Section and civil penalties imposed
15 incident thereto shall be collected and enforced by the State
16 Department of Revenue. The Department shall have the power to
17 administer and enforce the taxes and to determine all rights
18 for refunds for erroneous payments of the taxes. Nothing in
19 Public Act 95-708 is intended to invalidate any taxes
20 currently imposed by the Authority. The increased vote
21 requirements to impose a tax shall only apply to actions taken
22 after January 1, 2008 (the effective date of Public Act
23 95-708).

24 (b) The Board may impose a public transportation tax upon

1 all persons engaged in the metropolitan region in the business
2 of selling at retail motor fuel for operation of motor
3 vehicles upon public highways. The tax shall be at a rate not
4 to exceed 5% of the gross receipts from the sales of motor fuel
5 in the course of the business. As used in this Act, the term
6 "motor fuel" shall have the same meaning as in the Motor Fuel
7 Tax Law. The Board may provide for details of the tax. The
8 provisions of any tax shall conform, as closely as may be
9 practicable, to the provisions of the Municipal Retailers
10 Occupation Tax Act, including without limitation, conformity
11 to penalties with respect to the tax imposed and as to the
12 powers of the State Department of Revenue to promulgate and
13 enforce rules and regulations relating to the administration
14 and enforcement of the provisions of the tax imposed, except
15 that reference in the Act to any municipality shall refer to
16 the Authority and the tax shall be imposed only with regard to
17 receipts from sales of motor fuel in the metropolitan region,
18 at rates as limited by this Section.

19 (c) In connection with the tax imposed under paragraph (b)
20 of this Section, the Board may impose a tax upon the privilege
21 of using in the metropolitan region motor fuel for the
22 operation of a motor vehicle upon public highways, the tax to
23 be at a rate not in excess of the rate of tax imposed under
24 paragraph (b) of this Section. The Board may provide for
25 details of the tax.

26 (d) The Board may impose a motor vehicle parking tax upon

1 the privilege of parking motor vehicles at off-street parking
2 facilities in the metropolitan region at which a fee is
3 charged, and may provide for reasonable classifications in and
4 exemptions to the tax, for administration and enforcement
5 thereof and for civil penalties and refunds thereunder and may
6 provide criminal penalties thereunder, the maximum penalties
7 not to exceed the maximum criminal penalties provided in the
8 Retailers' Occupation Tax Act. The Authority may collect and
9 enforce the tax itself or by contract with any unit of local
10 government. The State Department of Revenue shall have no
11 responsibility for the collection and enforcement unless the
12 Department agrees with the Authority to undertake the
13 collection and enforcement. As used in this paragraph, the
14 term "parking facility" means a parking area or structure
15 having parking spaces for more than 2 vehicles at which motor
16 vehicles are permitted to park in return for an hourly, daily,
17 or other periodic fee, whether publicly or privately owned,
18 but does not include parking spaces on a public street, the use
19 of which is regulated by parking meters.

20 (e) The Board may impose a Regional Transportation
21 Authority Retailers' Occupation Tax upon all persons engaged
22 in the business of selling tangible personal property at
23 retail in the metropolitan region. In Cook County, the tax
24 rate shall be 1.25% of the gross receipts from sales of
25 tangible personal property taxed at the 1% rate under the
26 Retailers' Occupation Tax Act (or at the 0% rate imposed under

1 this amendatory Act of the 102nd General Assembly), and 1% of
2 the gross receipts from other taxable sales made in the course
3 of that business. In DuPage, Kane, Lake, McHenry, and Will
4 counties, the tax rate shall be 0.75% of the gross receipts
5 from all taxable sales made in the course of that business. The
6 rate of tax imposed in DuPage, Kane, Lake, McHenry, and Will
7 counties under this Section on sales of aviation fuel on or
8 after December 1, 2019 shall, however, be 0.25% unless the
9 Regional Transportation Authority in DuPage, Kane, Lake,
10 McHenry, and Will counties has an "airport-related purpose"
11 and the additional 0.50% of the 0.75% tax on aviation fuel is
12 expended for airport-related purposes. If there is no
13 airport-related purpose to which aviation fuel tax revenue is
14 dedicated, then aviation fuel is excluded from the additional
15 0.50% of the 0.75% tax. The tax imposed under this Section and
16 all civil penalties that may be assessed as an incident
17 thereof shall be collected and enforced by the State
18 Department of Revenue. The Department shall have full power to
19 administer and enforce this Section; to collect all taxes and
20 penalties so collected in the manner hereinafter provided; and
21 to determine all rights to credit memoranda arising on account
22 of the erroneous payment of tax or penalty hereunder. In the
23 administration of, and compliance with this Section, the
24 Department and persons who are subject to this Section shall
25 have the same rights, remedies, privileges, immunities,
26 powers, and duties, and be subject to the same conditions,

1 restrictions, limitations, penalties, exclusions, exemptions,
2 and definitions of terms, and employ the same modes of
3 procedure, as are prescribed in Sections 1, 1a, 1a-1, 1c, 1d,
4 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to all provisions
5 therein other than the State rate of tax), 2c, 3 (except as to
6 the disposition of taxes and penalties collected, and except
7 that the retailer's discount is not allowed for taxes paid on
8 aviation fuel that are subject to the revenue use requirements
9 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133), 4, 5, 5a, 5b, 5c,
10 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 6d, 7, 8, 9,
11 10, 11, 12, and 13 of the Retailers' Occupation Tax Act and
12 Section 3-7 of the Uniform Penalty and Interest Act, as fully
13 as if those provisions were set forth herein.

14 The Board and DuPage, Kane, Lake, McHenry, and Will
15 counties must comply with the certification requirements for
16 airport-related purposes under Section 2-22 of the Retailers'
17 Occupation Tax Act. For purposes of this Section,
18 "airport-related purposes" has the meaning ascribed in Section
19 6z-20.2 of the State Finance Act. This exclusion for aviation
20 fuel only applies for so long as the revenue use requirements
21 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
22 Authority.

23 Persons subject to any tax imposed under the authority
24 granted in this Section may reimburse themselves for their
25 seller's tax liability hereunder by separately stating the tax
26 as an additional charge, which charge may be stated in

1 combination in a single amount with State taxes that sellers
2 are required to collect under the Use Tax Act, under any
3 bracket schedules the Department may prescribe.

4 Whenever the Department determines that a refund should be
5 made under this Section to a claimant instead of issuing a
6 credit memorandum, the Department shall notify the State
7 Comptroller, who shall cause the warrant to be drawn for the
8 amount specified, and to the person named, in the notification
9 from the Department. The refund shall be paid by the State
10 Treasurer out of the Regional Transportation Authority tax
11 fund established under paragraph (n) of this Section or the
12 Local Government Aviation Trust Fund, as appropriate.

13 If a tax is imposed under this subsection (e), a tax shall
14 also be imposed under subsections (f) and (g) of this Section.

15 For the purpose of determining whether a tax authorized
16 under this Section is applicable, a retail sale by a producer
17 of coal or other mineral mined in Illinois, is a sale at retail
18 at the place where the coal or other mineral mined in Illinois
19 is extracted from the earth. This paragraph does not apply to
20 coal or other mineral when it is delivered or shipped by the
21 seller to the purchaser at a point outside Illinois so that the
22 sale is exempt under the Federal Constitution as a sale in
23 interstate or foreign commerce.

24 No tax shall be imposed or collected under this subsection
25 on the sale of a motor vehicle in this State to a resident of
26 another state if that motor vehicle will not be titled in this

1 State.

2 Nothing in this Section shall be construed to authorize
3 the Regional Transportation Authority to impose a tax upon the
4 privilege of engaging in any business that under the
5 Constitution of the United States may not be made the subject
6 of taxation by this State.

7 (f) If a tax has been imposed under paragraph (e), a
8 Regional Transportation Authority Service Occupation Tax shall
9 also be imposed upon all persons engaged, in the metropolitan
10 region in the business of making sales of service, who as an
11 incident to making the sales of service, transfer tangible
12 personal property within the metropolitan region, either in
13 the form of tangible personal property or in the form of real
14 estate as an incident to a sale of service. In Cook County, the
15 tax rate shall be: (1) 1.25% of the serviceman's cost price of
16 food prepared for immediate consumption and transferred
17 incident to a sale of service subject to the service
18 occupation tax by an entity licensed under the Hospital
19 Licensing Act, the Nursing Home Care Act, the Specialized
20 Mental Health Rehabilitation Act of 2013, the ID/DD Community
21 Care Act, or the MC/DD Act that is located in the metropolitan
22 region; (2) 1.25% of the selling price of tangible personal
23 property taxed at the 1% rate under the Service Occupation Tax
24 Act (or at the 0% rate imposed under this amendatory Act of the
25 102nd General Assembly); and (3) 1% of the selling price from
26 other taxable sales of tangible personal property transferred.

1 In DuPage, Kane, Lake, McHenry, and Will counties, the rate
2 shall be 0.75% of the selling price of all tangible personal
3 property transferred. The rate of tax imposed in DuPage, Kane,
4 Lake, McHenry, and Will counties under this Section on sales
5 of aviation fuel on or after December 1, 2019 shall, however,
6 be 0.25% unless the Regional Transportation Authority in
7 DuPage, Kane, Lake, McHenry, and Will counties has an
8 "airport-related purpose" and the additional 0.50% of the
9 0.75% tax on aviation fuel is expended for airport-related
10 purposes. If there is no airport-related purpose to which
11 aviation fuel tax revenue is dedicated, then aviation fuel is
12 excluded from the additional 0.5% of the 0.75% tax.

13 The Board and DuPage, Kane, Lake, McHenry, and Will
14 counties must comply with the certification requirements for
15 airport-related purposes under Section 2-22 of the Retailers'
16 Occupation Tax Act. For purposes of this Section,
17 "airport-related purposes" has the meaning ascribed in Section
18 6z-20.2 of the State Finance Act. This exclusion for aviation
19 fuel only applies for so long as the revenue use requirements
20 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
21 Authority.

22 The tax imposed under this paragraph and all civil
23 penalties that may be assessed as an incident thereof shall be
24 collected and enforced by the State Department of Revenue. The
25 Department shall have full power to administer and enforce
26 this paragraph; to collect all taxes and penalties due

1 hereunder; to dispose of taxes and penalties collected in the
2 manner hereinafter provided; and to determine all rights to
3 credit memoranda arising on account of the erroneous payment
4 of tax or penalty hereunder. In the administration of and
5 compliance with this paragraph, the Department and persons who
6 are subject to this paragraph shall have the same rights,
7 remedies, privileges, immunities, powers, and duties, and be
8 subject to the same conditions, restrictions, limitations,
9 penalties, exclusions, exemptions, and definitions of terms,
10 and employ the same modes of procedure, as are prescribed in
11 Sections 1a-1, 2, 2a, 3 through 3-50 (in respect to all
12 provisions therein other than the State rate of tax), 4
13 (except that the reference to the State shall be to the
14 Authority), 5, 7, 8 (except that the jurisdiction to which the
15 tax shall be a debt to the extent indicated in that Section 8
16 shall be the Authority), 9 (except as to the disposition of
17 taxes and penalties collected, and except that the returned
18 merchandise credit for this tax may not be taken against any
19 State tax, and except that the retailer's discount is not
20 allowed for taxes paid on aviation fuel that are subject to the
21 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
22 47133), 10, 11, 12 (except the reference therein to Section 2b
23 of the Retailers' Occupation Tax Act), 13 (except that any
24 reference to the State shall mean the Authority), the first
25 paragraph of Section 15, 16, 17, 18, 19, and 20 of the Service
26 Occupation Tax Act and Section 3-7 of the Uniform Penalty and

1 Interest Act, as fully as if those provisions were set forth
2 herein.

3 Persons subject to any tax imposed under the authority
4 granted in this paragraph may reimburse themselves for their
5 serviceman's tax liability hereunder by separately stating the
6 tax as an additional charge, that charge may be stated in
7 combination in a single amount with State tax that servicemen
8 are authorized to collect under the Service Use Tax Act, under
9 any bracket schedules the Department may prescribe.

10 Whenever the Department determines that a refund should be
11 made under this paragraph to a claimant instead of issuing a
12 credit memorandum, the Department shall notify the State
13 Comptroller, who shall cause the warrant to be drawn for the
14 amount specified, and to the person named in the notification
15 from the Department. The refund shall be paid by the State
16 Treasurer out of the Regional Transportation Authority tax
17 fund established under paragraph (n) of this Section or the
18 Local Government Aviation Trust Fund, as appropriate.

19 Nothing in this paragraph shall be construed to authorize
20 the Authority to impose a tax upon the privilege of engaging in
21 any business that under the Constitution of the United States
22 may not be made the subject of taxation by the State.

23 (g) If a tax has been imposed under paragraph (e), a tax
24 shall also be imposed upon the privilege of using in the
25 metropolitan region, any item of tangible personal property
26 that is purchased outside the metropolitan region at retail

1 from a retailer, and that is titled or registered with an
2 agency of this State's government. In Cook County, the tax
3 rate shall be 1% of the selling price of the tangible personal
4 property, as "selling price" is defined in the Use Tax Act. In
5 DuPage, Kane, Lake, McHenry, and Will counties, the tax rate
6 shall be 0.75% of the selling price of the tangible personal
7 property, as "selling price" is defined in the Use Tax Act. The
8 tax shall be collected from persons whose Illinois address for
9 titling or registration purposes is given as being in the
10 metropolitan region. The tax shall be collected by the
11 Department of Revenue for the Regional Transportation
12 Authority. The tax must be paid to the State, or an exemption
13 determination must be obtained from the Department of Revenue,
14 before the title or certificate of registration for the
15 property may be issued. The tax or proof of exemption may be
16 transmitted to the Department by way of the State agency with
17 which, or the State officer with whom, the tangible personal
18 property must be titled or registered if the Department and
19 the State agency or State officer determine that this
20 procedure will expedite the processing of applications for
21 title or registration.

22 The Department shall have full power to administer and
23 enforce this paragraph; to collect all taxes, penalties, and
24 interest due hereunder; to dispose of taxes, penalties, and
25 interest collected in the manner hereinafter provided; and to
26 determine all rights to credit memoranda or refunds arising on

1 account of the erroneous payment of tax, penalty, or interest
2 hereunder. In the administration of and compliance with this
3 paragraph, the Department and persons who are subject to this
4 paragraph shall have the same rights, remedies, privileges,
5 immunities, powers, and duties, and be subject to the same
6 conditions, restrictions, limitations, penalties, exclusions,
7 exemptions, and definitions of terms and employ the same modes
8 of procedure, as are prescribed in Sections 2 (except the
9 definition of "retailer maintaining a place of business in
10 this State"), 3 through 3-80 (except provisions pertaining to
11 the State rate of tax, and except provisions concerning
12 collection or refunding of the tax by retailers), 4, 11, 12,
13 12a, 14, 15, 19 (except the portions pertaining to claims by
14 retailers and except the last paragraph concerning refunds),
15 20, 21, and 22 of the Use Tax Act, and are not inconsistent
16 with this paragraph, as fully as if those provisions were set
17 forth herein.

18 Whenever the Department determines that a refund should be
19 made under this paragraph to a claimant instead of issuing a
20 credit memorandum, the Department shall notify the State
21 Comptroller, who shall cause the order to be drawn for the
22 amount specified, and to the person named in the notification
23 from the Department. The refund shall be paid by the State
24 Treasurer out of the Regional Transportation Authority tax
25 fund established under paragraph (n) of this Section.

26 (h) The Authority may impose a replacement vehicle tax of

1 \$50 on any passenger car as defined in Section 1-157 of the
2 Illinois Vehicle Code purchased within the metropolitan region
3 by or on behalf of an insurance company to replace a passenger
4 car of an insured person in settlement of a total loss claim.
5 The tax imposed may not become effective before the first day
6 of the month following the passage of the ordinance imposing
7 the tax and receipt of a certified copy of the ordinance by the
8 Department of Revenue. The Department of Revenue shall collect
9 the tax for the Authority in accordance with Sections 3-2002
10 and 3-2003 of the Illinois Vehicle Code.

11 The Department shall immediately pay over to the State
12 Treasurer, ex officio, as trustee, all taxes collected
13 hereunder.

14 As soon as possible after the first day of each month,
15 beginning January 1, 2011, upon certification of the
16 Department of Revenue, the Comptroller shall order
17 transferred, and the Treasurer shall transfer, to the STAR
18 Bonds Revenue Fund the local sales tax increment, as defined
19 in the Innovation Development and Economy Act, collected under
20 this Section during the second preceding calendar month for
21 sales within a STAR bond district.

22 After the monthly transfer to the STAR Bonds Revenue Fund,
23 on or before the 25th day of each calendar month, the
24 Department shall prepare and certify to the Comptroller the
25 disbursement of stated sums of money to the Authority. The
26 amount to be paid to the Authority shall be the amount

1 collected hereunder during the second preceding calendar month
2 by the Department, less any amount determined by the
3 Department to be necessary for the payment of refunds, and
4 less any amounts that are transferred to the STAR Bonds
5 Revenue Fund. Within 10 days after receipt by the Comptroller
6 of the disbursement certification to the Authority provided
7 for in this Section to be given to the Comptroller by the
8 Department, the Comptroller shall cause the orders to be drawn
9 for that amount in accordance with the directions contained in
10 the certification.

11 (i) The Board may not impose any other taxes except as it
12 may from time to time be authorized by law to impose.

13 (j) A certificate of registration issued by the State
14 Department of Revenue to a retailer under the Retailers'
15 Occupation Tax Act or under the Service Occupation Tax Act
16 shall permit the registrant to engage in a business that is
17 taxed under the tax imposed under paragraphs (b), (e), (f) or
18 (g) of this Section and no additional registration shall be
19 required under the tax. A certificate issued under the Use Tax
20 Act or the Service Use Tax Act shall be applicable with regard
21 to any tax imposed under paragraph (c) of this Section.

22 (k) The provisions of any tax imposed under paragraph (c)
23 of this Section shall conform as closely as may be practicable
24 to the provisions of the Use Tax Act, including without
25 limitation conformity as to penalties with respect to the tax
26 imposed and as to the powers of the State Department of Revenue

1 to promulgate and enforce rules and regulations relating to
2 the administration and enforcement of the provisions of the
3 tax imposed. The taxes shall be imposed only on use within the
4 metropolitan region and at rates as provided in the paragraph.

5 (l) The Board in imposing any tax as provided in
6 paragraphs (b) and (c) of this Section, shall, after seeking
7 the advice of the State Department of Revenue, provide means
8 for retailers, users or purchasers of motor fuel for purposes
9 other than those with regard to which the taxes may be imposed
10 as provided in those paragraphs to receive refunds of taxes
11 improperly paid, which provisions may be at variance with the
12 refund provisions as applicable under the Municipal Retailers
13 Occupation Tax Act. The State Department of Revenue may
14 provide for certificates of registration for users or
15 purchasers of motor fuel for purposes other than those with
16 regard to which taxes may be imposed as provided in paragraphs
17 (b) and (c) of this Section to facilitate the reporting and
18 nontaxability of the exempt sales or uses.

19 (m) Any ordinance imposing or discontinuing any tax under
20 this Section shall be adopted and a certified copy thereof
21 filed with the Department on or before June 1, whereupon the
22 Department of Revenue shall proceed to administer and enforce
23 this Section on behalf of the Regional Transportation
24 Authority as of September 1 next following such adoption and
25 filing. Beginning January 1, 1992, an ordinance or resolution
26 imposing or discontinuing the tax hereunder shall be adopted

1 and a certified copy thereof filed with the Department on or
2 before the first day of July, whereupon the Department shall
3 proceed to administer and enforce this Section as of the first
4 day of October next following such adoption and filing.
5 Beginning January 1, 1993, an ordinance or resolution
6 imposing, increasing, decreasing, or discontinuing the tax
7 hereunder shall be adopted and a certified copy thereof filed
8 with the Department, whereupon the Department shall proceed to
9 administer and enforce this Section as of the first day of the
10 first month to occur not less than 60 days following such
11 adoption and filing. Any ordinance or resolution of the
12 Authority imposing a tax under this Section and in effect on
13 August 1, 2007 shall remain in full force and effect and shall
14 be administered by the Department of Revenue under the terms
15 and conditions and rates of tax established by such ordinance
16 or resolution until the Department begins administering and
17 enforcing an increased tax under this Section as authorized by
18 Public Act 95-708. The tax rates authorized by Public Act
19 95-708 are effective only if imposed by ordinance of the
20 Authority.

21 (n) Except as otherwise provided in this subsection (n),
22 the State Department of Revenue shall, upon collecting any
23 taxes as provided in this Section, pay the taxes over to the
24 State Treasurer as trustee for the Authority. The taxes shall
25 be held in a trust fund outside the State Treasury. If an
26 airport-related purpose has been certified, taxes and

1 penalties collected in DuPage, Kane, Lake, McHenry and Will
2 counties on aviation fuel sold on or after December 1, 2019
3 from the 0.50% of the 0.75% rate shall be immediately paid over
4 by the Department to the State Treasurer, ex officio, as
5 trustee, for deposit into the Local Government Aviation Trust
6 Fund. The Department shall only pay moneys into the Local
7 Government Aviation Trust Fund under this Act for so long as
8 the revenue use requirements of 49 U.S.C. 47107(b) and 49
9 U.S.C. 47133 are binding on the Authority. On or before the
10 25th day of each calendar month, the State Department of
11 Revenue shall prepare and certify to the Comptroller of the
12 State of Illinois and to the Authority (i) the amount of taxes
13 collected in each county other than Cook County in the
14 metropolitan region, (not including, if an airport-related
15 purpose has been certified, the taxes and penalties collected
16 from the 0.50% of the 0.75% rate on aviation fuel sold on or
17 after December 1, 2019 that are deposited into the Local
18 Government Aviation Trust Fund) (ii) the amount of taxes
19 collected within the City of Chicago, and (iii) the amount
20 collected in that portion of Cook County outside of Chicago,
21 each amount less the amount necessary for the payment of
22 refunds to taxpayers located in those areas described in items
23 (i), (ii), and (iii), and less 1.5% of the remainder, which
24 shall be transferred from the trust fund into the Tax
25 Compliance and Administration Fund. The Department, at the
26 time of each monthly disbursement to the Authority, shall

1 prepare and certify to the State Comptroller the amount to be
2 transferred into the Tax Compliance and Administration Fund
3 under this subsection. Within 10 days after receipt by the
4 Comptroller of the certification of the amounts, the
5 Comptroller shall cause an order to be drawn for the transfer
6 of the amount certified into the Tax Compliance and
7 Administration Fund and the payment of two-thirds of the
8 amounts certified in item (i) of this subsection to the
9 Authority and one-third of the amounts certified in item (i)
10 of this subsection to the respective counties other than Cook
11 County and the amount certified in items (ii) and (iii) of this
12 subsection to the Authority.

13 In addition to the disbursement required by the preceding
14 paragraph, an allocation shall be made in July 1991 and each
15 year thereafter to the Regional Transportation Authority. The
16 allocation shall be made in an amount equal to the average
17 monthly distribution during the preceding calendar year
18 (excluding the 2 months of lowest receipts) and the allocation
19 shall include the amount of average monthly distribution from
20 the Regional Transportation Authority Occupation and Use Tax
21 Replacement Fund. The distribution made in July 1992 and each
22 year thereafter under this paragraph and the preceding
23 paragraph shall be reduced by the amount allocated and
24 disbursed under this paragraph in the preceding calendar year.
25 The Department of Revenue shall prepare and certify to the
26 Comptroller for disbursement the allocations made in

1 accordance with this paragraph.

2 (o) Failure to adopt a budget ordinance or otherwise to
3 comply with Section 4.01 of this Act or to adopt a Five-year
4 Capital Program or otherwise to comply with paragraph (b) of
5 Section 2.01 of this Act shall not affect the validity of any
6 tax imposed by the Authority otherwise in conformity with law.

7 (p) At no time shall a public transportation tax or motor
8 vehicle parking tax authorized under paragraphs (b), (c), and
9 (d) of this Section be in effect at the same time as any
10 retailers' occupation, use or service occupation tax
11 authorized under paragraphs (e), (f), and (g) of this Section
12 is in effect.

13 Any taxes imposed under the authority provided in
14 paragraphs (b), (c), and (d) shall remain in effect only until
15 the time as any tax authorized by paragraph (e), (f), or (g) of
16 this Section are imposed and becomes effective. Once any tax
17 authorized by paragraph (e), (f), or (g) is imposed the Board
18 may not reimpose taxes as authorized in paragraphs (b), (c),
19 and (d) of the Section unless any tax authorized by paragraph
20 (e), (f), or (g) of this Section becomes ineffective by means
21 other than an ordinance of the Board.

22 (q) Any existing rights, remedies and obligations
23 (including enforcement by the Regional Transportation
24 Authority) arising under any tax imposed under paragraph (b),
25 (c), or (d) of this Section shall not be affected by the
26 imposition of a tax under paragraph (e), (f), or (g) of this

1 Section.

2 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18;
3 100-1171, eff. 1-4-19; 101-10, eff. 6-5-19; 101-81, eff.
4 7-12-19; 101-604, eff. 12-13-19.)

5 ARTICLE 65. SCHOOL SUPPLY HOLIDAY

6 Section 65-5. The Use Tax Act is amended by changing
7 Sections 3-6, 3-10 and 9 as follows:

8 (35 ILCS 105/3-6)

9 Sec. 3-6. Sales tax holiday items.

10 (a) Any ~~The~~ tangible personal property described in this
11 subsection is a sales tax holiday item and qualifies for the
12 1.25% reduced rate of tax for the period set forth in Section
13 3-10 of this Act (hereinafter referred to as the Sales Tax
14 Holiday Period). The reduced rate on these items shall be
15 administered under the provisions of subsection (b) of this
16 Section. The following items are subject to the reduced rate:

17 (1) Clothing items that each have a retail selling
18 price of less than \$125 ~~\$100~~.

19 "Clothing" means, unless otherwise specified in this
20 Section, all human wearing apparel suitable for general
21 use. "Clothing" does not include clothing accessories,
22 protective equipment, or sport or recreational equipment.

23 "Clothing" includes, but is not limited to: household and

1 shop aprons; athletic supporters; bathing suits and caps;
2 belts and suspenders; boots; coats and jackets; ear muffs;
3 footlets; gloves and mittens for general use; hats and
4 caps; hosiery; insoles for shoes; lab coats; neckties;
5 overshoes; pantyhose; rainwear; rubber pants; sandals;
6 scarves; shoes and shoelaces; slippers; sneakers; socks
7 and stockings; steel-toed shoes; underwear; and school
8 uniforms.

9 "Clothing accessories" means, but is not limited to:
10 briefcases; cosmetics; hair notions, including, but not
11 limited to barrettes, hair bows, and hair nets; handbags;
12 handkerchiefs; jewelry; non-prescription sunglasses;
13 umbrellas; wallets; watches; and wigs and hair pieces.

14 "Protective equipment" means, but is not limited to:
15 breathing masks; clean room apparel and equipment; ear and
16 hearing protectors; face shields; hard hats; helmets;
17 paint or dust respirators; protective gloves; safety
18 glasses and goggles; safety belts; tool belts; and
19 welder's gloves and masks.

20 "Sport or recreational equipment" means, but is not
21 limited to: ballet and tap shoes; cleated or spiked
22 athletic shoes; gloves, including, but not limited to,
23 baseball, bowling, boxing, hockey, and golf gloves;
24 goggles; hand and elbow guards; life preservers and vests;
25 mouth guards; roller and ice skates; shin guards; shoulder
26 pads; ski boots; waders; and wetsuits and fins.

1 (2) School supplies. "School supplies" means, unless
2 otherwise specified in this Section, items used by a
3 student in a course of study. The purchase of school
4 supplies for use by persons other than students for use in
5 a course of study are not eligible for the reduced rate of
6 tax. "School supplies" do not include school art supplies;
7 school instructional materials; cameras; film and memory
8 cards; videocameras, tapes, and videotapes; computers;
9 cell phones; Personal Digital Assistants (PDAs); handheld
10 electronic schedulers; and school computer supplies.

11 "School supplies" includes, but is not limited to:
12 binders; book bags; calculators; cellophane tape;
13 blackboard chalk; compasses; composition books; crayons;
14 erasers; expandable, pocket, plastic, and manila folders;
15 glue, paste, and paste sticks; highlighters; index cards;
16 index card boxes; legal pads; lunch boxes; markers;
17 notebooks; paper, including loose leaf ruled notebook
18 paper, copy paper, graph paper, tracing paper, manila
19 paper, colored paper, poster board, and construction
20 paper; pencils; pencil leads; pens; ink and ink refills
21 for pens; pencil boxes and other school supply boxes;
22 pencil sharpeners; protractors; rulers; scissors; and
23 writing tablets.

24 "School art supply" means an item commonly used by a
25 student in a course of study for artwork and includes only
26 the following items: clay and glazes; acrylic, tempera,

1 and oil paint; paintbrushes for artwork; sketch and
2 drawing pads; and watercolors.

3 "School instructional material" means written material
4 commonly used by a student in a course of study as a
5 reference and to learn the subject being taught and
6 includes only the following items: reference books;
7 reference maps and globes; textbooks; and workbooks.

8 "School computer supply" means an item commonly used
9 by a student in a course of study in which a computer is
10 used and applies only to the following items: flashdrives
11 and other computer data storage devices; data storage
12 media, such as diskettes and compact disks; boxes and
13 cases for disk storage; external ports or drives; computer
14 cases; computer cables; computer printers; and printer
15 cartridges, toner, and ink.

16 (b) Administration. Notwithstanding any other provision of
17 this Act, the reduced rate of tax under Section 3-10 of this
18 Act for clothing and school supplies shall be administered by
19 the Department under the provisions of this subsection (b).

20 (1) Bundled sales. Items that qualify for the reduced
21 rate of tax that are bundled together with items that do
22 not qualify for the reduced rate of tax and that are sold
23 for one itemized price will be subject to the reduced rate
24 of tax only if the value of the items that qualify for the
25 reduced rate of tax exceeds the value of the items that do
26 not qualify for the reduced rate of tax.

1 (2) Coupons and discounts. An unreimbursed discount by
2 the seller reduces the sales price of the property so that
3 the discounted sales price determines whether the sales
4 price is within a sales tax holiday price threshold. A
5 coupon or other reduction in the sales price is treated as
6 a discount if the seller is not reimbursed for the coupon
7 or reduction amount by a third party.

8 (3) Splitting of items normally sold together.
9 Articles that are normally sold as a single unit must
10 continue to be sold in that manner. Such articles cannot
11 be priced separately and sold as individual items in order
12 to obtain the reduced rate of tax. For example, a pair of
13 shoes cannot have each shoe sold separately so that the
14 sales price of each shoe is within a sales tax holiday
15 price threshold.

16 (4) Rain checks. A rain check is a procedure that
17 allows a customer to purchase an item at a certain price at
18 a later time because the particular item was out of stock.
19 Eligible property that customers purchase during the Sales
20 Tax Holiday Period with the use of a rain check will
21 qualify for the reduced rate of tax regardless of when the
22 rain check was issued. Issuance of a rain check during the
23 Sales Tax Holiday Period will not qualify eligible
24 property for the reduced rate of tax if the property is
25 actually purchased after the Sales Tax Holiday Period.

26 (5) Exchanges. The procedure for an exchange in

1 regards to a sales tax holiday is as follows:

2 (A) If a customer purchases an item of eligible
3 property during the Sales Tax Holiday Period, but
4 later exchanges the item for a similar eligible item,
5 even if a different size, different color, or other
6 feature, no additional tax is due even if the exchange
7 is made after the Sales Tax Holiday Period.

8 (B) If a customer purchases an item of eligible
9 property during the Sales Tax Holiday Period, but
10 after the Sales Tax Holiday Period has ended, the
11 customer returns the item and receives credit on the
12 purchase of a different item, the 6.25% general
13 merchandise sales tax rate is due on the sale of the
14 newly purchased item.

15 (C) If a customer purchases an item of eligible
16 property before the Sales Tax Holiday Period, but
17 during the Sales Tax Holiday Period the customer
18 returns the item and receives credit on the purchase
19 of a different item of eligible property, the reduced
20 rate of tax is due on the sale of the new item if the
21 new item is purchased during the Sales Tax Holiday
22 Period.

23 (6) (Blank). ~~Delivery charges. Delivery charges,~~
24 ~~including shipping, handling and service charges, are part~~
25 ~~of the sales price of eligible property.~~

26 (7) Order date and back orders. For the purpose of a

1 sales tax holiday, eligible property qualifies for the
2 reduced rate of tax if: (i) the item is both delivered to
3 and paid for by the customer during the Sales Tax Holiday
4 Period or (ii) the customer orders and pays for the item
5 and the seller accepts the order during the Sales Tax
6 Holiday Period for immediate shipment, even if delivery is
7 made after the Sales Tax Holiday Period. The seller
8 accepts an order when the seller has taken action to fill
9 the order for immediate shipment. Actions to fill an order
10 include placement of an "in date" stamp on an order or
11 assignment of an "order number" to an order within the
12 Sales Tax Holiday Period. An order is for immediate
13 shipment when the customer does not request delayed
14 shipment. An order is for immediate shipment
15 notwithstanding that the shipment may be delayed because
16 of a backlog of orders or because stock is currently
17 unavailable to, or on back order by, the seller.

18 (8) Returns. For a 60-day period immediately after the
19 Sales Tax Holiday Period, if a customer returns an item
20 that would qualify for the reduced rate of tax, credit for
21 or refund of sales tax shall be given only at the reduced
22 rate unless the customer provides a receipt or invoice
23 that shows tax was paid at the 6.25% general merchandise
24 rate, or the seller has sufficient documentation to show
25 that tax was paid at the 6.25% general merchandise rate on
26 the specific item. This 60-day period is set solely for

1 the purpose of designating a time period during which the
2 customer must provide documentation that shows that the
3 appropriate sales tax rate was paid on returned
4 merchandise. The 60-day period is not intended to change a
5 seller's policy on the time period during which the seller
6 will accept returns.

7 (c) The Department may implement the provisions of this
8 Section through the use of emergency rules, along with
9 permanent rules filed concurrently with such emergency rules,
10 in accordance with the provisions of Section 5-45 of the
11 Illinois Administrative Procedure Act. For purposes of the
12 Illinois Administrative Procedure Act, the adoption of rules
13 to implement the provisions of this Section shall be deemed an
14 emergency and necessary for the public interest, safety, and
15 welfare.

16 (Source: P.A. 96-1012, eff. 7-7-10.)

17 (35 ILCS 105/3-10)

18 Sec. 3-10. Rate of tax. Unless otherwise provided in this
19 Section, the tax imposed by this Act is at the rate of 6.25% of
20 either the selling price or the fair market value, if any, of
21 the tangible personal property. In all cases where property
22 functionally used or consumed is the same as the property that
23 was purchased at retail, then the tax is imposed on the selling
24 price of the property. In all cases where property
25 functionally used or consumed is a by-product or waste product

1 that has been refined, manufactured, or produced from property
2 purchased at retail, then the tax is imposed on the lower of
3 the fair market value, if any, of the specific property so used
4 in this State or on the selling price of the property purchased
5 at retail. For purposes of this Section "fair market value"
6 means the price at which property would change hands between a
7 willing buyer and a willing seller, neither being under any
8 compulsion to buy or sell and both having reasonable knowledge
9 of the relevant facts. The fair market value shall be
10 established by Illinois sales by the taxpayer of the same
11 property as that functionally used or consumed, or if there
12 are no such sales by the taxpayer, then comparable sales or
13 purchases of property of like kind and character in Illinois.

14 Beginning on July 1, 2000 and through December 31, 2000,
15 with respect to motor fuel, as defined in Section 1.1 of the
16 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of
17 the Use Tax Act, the tax is imposed at the rate of 1.25%.

18 Beginning on August 6, 2010 through August 15, 2010, and
19 beginning again on August 5, 2022 through August 14, 2022,
20 with respect to sales tax holiday items as defined in Section
21 3-6 of this Act, the tax is imposed at the rate of 1.25%.

22 With respect to gasohol, the tax imposed by this Act
23 applies to (i) 70% of the proceeds of sales made on or after
24 January 1, 1990, and before July 1, 2003, (ii) 80% of the
25 proceeds of sales made on or after July 1, 2003 and on or
26 before July 1, 2017, and (iii) 100% of the proceeds of sales

1 made thereafter. If, at any time, however, the tax under this
2 Act on sales of gasohol is imposed at the rate of 1.25%, then
3 the tax imposed by this Act applies to 100% of the proceeds of
4 sales of gasohol made during that time.

5 With respect to majority blended ethanol fuel, the tax
6 imposed by this Act does not apply to the proceeds of sales
7 made on or after July 1, 2003 and on or before December 31,
8 2023 but applies to 100% of the proceeds of sales made
9 thereafter.

10 With respect to biodiesel blends with no less than 1% and
11 no more than 10% biodiesel, the tax imposed by this Act applies
12 to (i) 80% of the proceeds of sales made on or after July 1,
13 2003 and on or before December 31, 2018 and (ii) 100% of the
14 proceeds of sales made thereafter. If, at any time, however,
15 the tax under this Act on sales of biodiesel blends with no
16 less than 1% and no more than 10% biodiesel is imposed at the
17 rate of 1.25%, then the tax imposed by this Act applies to 100%
18 of the proceeds of sales of biodiesel blends with no less than
19 1% and no more than 10% biodiesel made during that time.

20 With respect to 100% biodiesel and biodiesel blends with
21 more than 10% but no more than 99% biodiesel, the tax imposed
22 by this Act does not apply to the proceeds of sales made on or
23 after July 1, 2003 and on or before December 31, 2023 but
24 applies to 100% of the proceeds of sales made thereafter.

25 With respect to food for human consumption that is to be
26 consumed off the premises where it is sold (other than

1 alcoholic beverages, food consisting of or infused with adult
2 use cannabis, soft drinks, and food that has been prepared for
3 immediate consumption) and prescription and nonprescription
4 medicines, drugs, medical appliances, products classified as
5 Class III medical devices by the United States Food and Drug
6 Administration that are used for cancer treatment pursuant to
7 a prescription, as well as any accessories and components
8 related to those devices, modifications to a motor vehicle for
9 the purpose of rendering it usable by a person with a
10 disability, and insulin, blood sugar testing materials,
11 syringes, and needles used by human diabetics, the tax is
12 imposed at the rate of 1%. For the purposes of this Section,
13 until September 1, 2009: the term "soft drinks" means any
14 complete, finished, ready-to-use, non-alcoholic drink, whether
15 carbonated or not, including but not limited to soda water,
16 cola, fruit juice, vegetable juice, carbonated water, and all
17 other preparations commonly known as soft drinks of whatever
18 kind or description that are contained in any closed or sealed
19 bottle, can, carton, or container, regardless of size; but
20 "soft drinks" does not include coffee, tea, non-carbonated
21 water, infant formula, milk or milk products as defined in the
22 Grade A Pasteurized Milk and Milk Products Act, or drinks
23 containing 50% or more natural fruit or vegetable juice.

24 Notwithstanding any other provisions of this Act,
25 beginning September 1, 2009, "soft drinks" means non-alcoholic
26 beverages that contain natural or artificial sweeteners. "Soft

1 drinks" do not include beverages that contain milk or milk
2 products, soy, rice or similar milk substitutes, or greater
3 than 50% of vegetable or fruit juice by volume.

4 Until August 1, 2009, and notwithstanding any other
5 provisions of this Act, "food for human consumption that is to
6 be consumed off the premises where it is sold" includes all
7 food sold through a vending machine, except soft drinks and
8 food products that are dispensed hot from a vending machine,
9 regardless of the location of the vending machine. Beginning
10 August 1, 2009, and notwithstanding any other provisions of
11 this Act, "food for human consumption that is to be consumed
12 off the premises where it is sold" includes all food sold
13 through a vending machine, except soft drinks, candy, and food
14 products that are dispensed hot from a vending machine,
15 regardless of the location of the vending machine.

16 Notwithstanding any other provisions of this Act,
17 beginning September 1, 2009, "food for human consumption that
18 is to be consumed off the premises where it is sold" does not
19 include candy. For purposes of this Section, "candy" means a
20 preparation of sugar, honey, or other natural or artificial
21 sweeteners in combination with chocolate, fruits, nuts or
22 other ingredients or flavorings in the form of bars, drops, or
23 pieces. "Candy" does not include any preparation that contains
24 flour or requires refrigeration.

25 Notwithstanding any other provisions of this Act,
26 beginning September 1, 2009, "nonprescription medicines and

1 drugs" does not include grooming and hygiene products. For
2 purposes of this Section, "grooming and hygiene products"
3 includes, but is not limited to, soaps and cleaning solutions,
4 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan
5 lotions and screens, unless those products are available by
6 prescription only, regardless of whether the products meet the
7 definition of "over-the-counter-drugs". For the purposes of
8 this paragraph, "over-the-counter-drug" means a drug for human
9 use that contains a label that identifies the product as a drug
10 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"
11 label includes:

12 (A) A "Drug Facts" panel; or

13 (B) A statement of the "active ingredient(s)" with a
14 list of those ingredients contained in the compound,
15 substance or preparation.

16 Beginning on the effective date of this amendatory Act of
17 the 98th General Assembly, "prescription and nonprescription
18 medicines and drugs" includes medical cannabis purchased from
19 a registered dispensing organization under the Compassionate
20 Use of Medical Cannabis Program Act.

21 As used in this Section, "adult use cannabis" means
22 cannabis subject to tax under the Cannabis Cultivation
23 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law
24 and does not include cannabis subject to tax under the
25 Compassionate Use of Medical Cannabis Program Act.

26 If the property that is purchased at retail from a

1 retailer is acquired outside Illinois and used outside
2 Illinois before being brought to Illinois for use here and is
3 taxable under this Act, the "selling price" on which the tax is
4 computed shall be reduced by an amount that represents a
5 reasonable allowance for depreciation for the period of prior
6 out-of-state use.

7 (Source: P.A. 101-363, eff. 8-9-19; 101-593, eff. 12-4-19;
8 102-4, eff. 4-27-21.)

9 (35 ILCS 105/9) (from Ch. 120, par. 439.9)

10 Sec. 9. Except as to motor vehicles, watercraft, aircraft,
11 and trailers that are required to be registered with an agency
12 of this State, each retailer required or authorized to collect
13 the tax imposed by this Act shall pay to the Department the
14 amount of such tax (except as otherwise provided) at the time
15 when he is required to file his return for the period during
16 which such tax was collected, less a discount of 2.1% prior to
17 January 1, 1990, and 1.75% on and after January 1, 1990, or \$5
18 per calendar year, whichever is greater, which is allowed to
19 reimburse the retailer for expenses incurred in collecting the
20 tax, keeping records, preparing and filing returns, remitting
21 the tax and supplying data to the Department on request. When
22 determining the discount allowed under this Section, retailers
23 shall include the amount of tax that would have been due at the
24 6.25% rate but for the 1.25% rate imposed on sales tax holiday
25 items under this amendatory Act of the 102nd General Assembly.

1 The discount under this Section is not allowed for the 1.25%
2 portion of taxes paid on aviation fuel that is subject to the
3 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
4 47133. In the case of retailers who report and pay the tax on a
5 transaction by transaction basis, as provided in this Section,
6 such discount shall be taken with each such tax remittance
7 instead of when such retailer files his periodic return. The
8 discount allowed under this Section is allowed only for
9 returns that are filed in the manner required by this Act. The
10 Department may disallow the discount for retailers whose
11 certificate of registration is revoked at the time the return
12 is filed, but only if the Department's decision to revoke the
13 certificate of registration has become final. A retailer need
14 not remit that part of any tax collected by him to the extent
15 that he is required to remit and does remit the tax imposed by
16 the Retailers' Occupation Tax Act, with respect to the sale of
17 the same property.

18 Where such tangible personal property is sold under a
19 conditional sales contract, or under any other form of sale
20 wherein the payment of the principal sum, or a part thereof, is
21 extended beyond the close of the period for which the return is
22 filed, the retailer, in collecting the tax (except as to motor
23 vehicles, watercraft, aircraft, and trailers that are required
24 to be registered with an agency of this State), may collect for
25 each tax return period, only the tax applicable to that part of
26 the selling price actually received during such tax return

1 period.

2 Except as provided in this Section, on or before the
3 twentieth day of each calendar month, such retailer shall file
4 a return for the preceding calendar month. Such return shall
5 be filed on forms prescribed by the Department and shall
6 furnish such information as the Department may reasonably
7 require. On and after January 1, 2018, except for returns for
8 motor vehicles, watercraft, aircraft, and trailers that are
9 required to be registered with an agency of this State, with
10 respect to retailers whose annual gross receipts average
11 \$20,000 or more, all returns required to be filed pursuant to
12 this Act shall be filed electronically. Retailers who
13 demonstrate that they do not have access to the Internet or
14 demonstrate hardship in filing electronically may petition the
15 Department to waive the electronic filing requirement.

16 The Department may require returns to be filed on a
17 quarterly basis. If so required, a return for each calendar
18 quarter shall be filed on or before the twentieth day of the
19 calendar month following the end of such calendar quarter. The
20 taxpayer shall also file a return with the Department for each
21 of the first two months of each calendar quarter, on or before
22 the twentieth day of the following calendar month, stating:

- 23 1. The name of the seller;
- 24 2. The address of the principal place of business from
25 which he engages in the business of selling tangible
26 personal property at retail in this State;

1 3. The total amount of taxable receipts received by
2 him during the preceding calendar month from sales of
3 tangible personal property by him during such preceding
4 calendar month, including receipts from charge and time
5 sales, but less all deductions allowed by law;

6 4. The amount of credit provided in Section 2d of this
7 Act;

8 5. The amount of tax due;

9 5-5. The signature of the taxpayer; and

10 6. Such other reasonable information as the Department
11 may require.

12 Each retailer required or authorized to collect the tax
13 imposed by this Act on aviation fuel sold at retail in this
14 State during the preceding calendar month shall, instead of
15 reporting and paying tax on aviation fuel as otherwise
16 required by this Section, report and pay such tax on a separate
17 aviation fuel tax return. The requirements related to the
18 return shall be as otherwise provided in this Section.
19 Notwithstanding any other provisions of this Act to the
20 contrary, retailers collecting tax on aviation fuel shall file
21 all aviation fuel tax returns and shall make all aviation fuel
22 tax payments by electronic means in the manner and form
23 required by the Department. For purposes of this Section,
24 "aviation fuel" means jet fuel and aviation gasoline.

25 If a taxpayer fails to sign a return within 30 days after
26 the proper notice and demand for signature by the Department,

1 the return shall be considered valid and any amount shown to be
2 due on the return shall be deemed assessed.

3 Notwithstanding any other provision of this Act to the
4 contrary, retailers subject to tax on cannabis shall file all
5 cannabis tax returns and shall make all cannabis tax payments
6 by electronic means in the manner and form required by the
7 Department.

8 Beginning October 1, 1993, a taxpayer who has an average
9 monthly tax liability of \$150,000 or more shall make all
10 payments required by rules of the Department by electronic
11 funds transfer. Beginning October 1, 1994, a taxpayer who has
12 an average monthly tax liability of \$100,000 or more shall
13 make all payments required by rules of the Department by
14 electronic funds transfer. Beginning October 1, 1995, a
15 taxpayer who has an average monthly tax liability of \$50,000
16 or more shall make all payments required by rules of the
17 Department by electronic funds transfer. Beginning October 1,
18 2000, a taxpayer who has an annual tax liability of \$200,000 or
19 more shall make all payments required by rules of the
20 Department by electronic funds transfer. The term "annual tax
21 liability" shall be the sum of the taxpayer's liabilities
22 under this Act, and under all other State and local occupation
23 and use tax laws administered by the Department, for the
24 immediately preceding calendar year. The term "average monthly
25 tax liability" means the sum of the taxpayer's liabilities
26 under this Act, and under all other State and local occupation

1 and use tax laws administered by the Department, for the
2 immediately preceding calendar year divided by 12. Beginning
3 on October 1, 2002, a taxpayer who has a tax liability in the
4 amount set forth in subsection (b) of Section 2505-210 of the
5 Department of Revenue Law shall make all payments required by
6 rules of the Department by electronic funds transfer.

7 Before August 1 of each year beginning in 1993, the
8 Department shall notify all taxpayers required to make
9 payments by electronic funds transfer. All taxpayers required
10 to make payments by electronic funds transfer shall make those
11 payments for a minimum of one year beginning on October 1.

12 Any taxpayer not required to make payments by electronic
13 funds transfer may make payments by electronic funds transfer
14 with the permission of the Department.

15 All taxpayers required to make payment by electronic funds
16 transfer and any taxpayers authorized to voluntarily make
17 payments by electronic funds transfer shall make those
18 payments in the manner authorized by the Department.

19 The Department shall adopt such rules as are necessary to
20 effectuate a program of electronic funds transfer and the
21 requirements of this Section.

22 Before October 1, 2000, if the taxpayer's average monthly
23 tax liability to the Department under this Act, the Retailers'
24 Occupation Tax Act, the Service Occupation Tax Act, the
25 Service Use Tax Act was \$10,000 or more during the preceding 4
26 complete calendar quarters, he shall file a return with the

1 Department each month by the 20th day of the month next
2 following the month during which such tax liability is
3 incurred and shall make payments to the Department on or
4 before the 7th, 15th, 22nd and last day of the month during
5 which such liability is incurred. On and after October 1,
6 2000, if the taxpayer's average monthly tax liability to the
7 Department under this Act, the Retailers' Occupation Tax Act,
8 the Service Occupation Tax Act, and the Service Use Tax Act was
9 \$20,000 or more during the preceding 4 complete calendar
10 quarters, he shall file a return with the Department each
11 month by the 20th day of the month next following the month
12 during which such tax liability is incurred and shall make
13 payment to the Department on or before the 7th, 15th, 22nd and
14 last day of the month during which such liability is incurred.
15 If the month during which such tax liability is incurred began
16 prior to January 1, 1985, each payment shall be in an amount
17 equal to 1/4 of the taxpayer's actual liability for the month
18 or an amount set by the Department not to exceed 1/4 of the
19 average monthly liability of the taxpayer to the Department
20 for the preceding 4 complete calendar quarters (excluding the
21 month of highest liability and the month of lowest liability
22 in such 4 quarter period). If the month during which such tax
23 liability is incurred begins on or after January 1, 1985, and
24 prior to January 1, 1987, each payment shall be in an amount
25 equal to 22.5% of the taxpayer's actual liability for the
26 month or 27.5% of the taxpayer's liability for the same

1 calendar month of the preceding year. If the month during
2 which such tax liability is incurred begins on or after
3 January 1, 1987, and prior to January 1, 1988, each payment
4 shall be in an amount equal to 22.5% of the taxpayer's actual
5 liability for the month or 26.25% of the taxpayer's liability
6 for the same calendar month of the preceding year. If the month
7 during which such tax liability is incurred begins on or after
8 January 1, 1988, and prior to January 1, 1989, or begins on or
9 after January 1, 1996, each payment shall be in an amount equal
10 to 22.5% of the taxpayer's actual liability for the month or
11 25% of the taxpayer's liability for the same calendar month of
12 the preceding year. If the month during which such tax
13 liability is incurred begins on or after January 1, 1989, and
14 prior to January 1, 1996, each payment shall be in an amount
15 equal to 22.5% of the taxpayer's actual liability for the
16 month or 25% of the taxpayer's liability for the same calendar
17 month of the preceding year or 100% of the taxpayer's actual
18 liability for the quarter monthly reporting period. The amount
19 of such quarter monthly payments shall be credited against the
20 final tax liability of the taxpayer's return for that month.
21 Before October 1, 2000, once applicable, the requirement of
22 the making of quarter monthly payments to the Department shall
23 continue until such taxpayer's average monthly liability to
24 the Department during the preceding 4 complete calendar
25 quarters (excluding the month of highest liability and the
26 month of lowest liability) is less than \$9,000, or until such

1 taxpayer's average monthly liability to the Department as
2 computed for each calendar quarter of the 4 preceding complete
3 calendar quarter period is less than \$10,000. However, if a
4 taxpayer can show the Department that a substantial change in
5 the taxpayer's business has occurred which causes the taxpayer
6 to anticipate that his average monthly tax liability for the
7 reasonably foreseeable future will fall below the \$10,000
8 threshold stated above, then such taxpayer may petition the
9 Department for change in such taxpayer's reporting status. On
10 and after October 1, 2000, once applicable, the requirement of
11 the making of quarter monthly payments to the Department shall
12 continue until such taxpayer's average monthly liability to
13 the Department during the preceding 4 complete calendar
14 quarters (excluding the month of highest liability and the
15 month of lowest liability) is less than \$19,000 or until such
16 taxpayer's average monthly liability to the Department as
17 computed for each calendar quarter of the 4 preceding complete
18 calendar quarter period is less than \$20,000. However, if a
19 taxpayer can show the Department that a substantial change in
20 the taxpayer's business has occurred which causes the taxpayer
21 to anticipate that his average monthly tax liability for the
22 reasonably foreseeable future will fall below the \$20,000
23 threshold stated above, then such taxpayer may petition the
24 Department for a change in such taxpayer's reporting status.
25 The Department shall change such taxpayer's reporting status
26 unless it finds that such change is seasonal in nature and not

1 likely to be long term. Quarter monthly payment status shall
2 be determined under this paragraph as if the rate reduction to
3 1.25% in this amendatory Act of the 102nd General Assembly on
4 sales tax holiday items had not occurred. For quarter monthly
5 payments due on or after July 1, 2023 and through June 30,
6 2024, "25% of the taxpayer's liability for the same calendar
7 month of the preceding year" shall be determined as if the rate
8 reduction to 1.25% in this amendatory Act of the 102nd General
9 Assembly on sales tax holiday items had not occurred. If any
10 such quarter monthly payment is not paid at the time or in the
11 amount required by this Section, then the taxpayer shall be
12 liable for penalties and interest on the difference between
13 the minimum amount due and the amount of such quarter monthly
14 payment actually and timely paid, except insofar as the
15 taxpayer has previously made payments for that month to the
16 Department in excess of the minimum payments previously due as
17 provided in this Section. The Department shall make reasonable
18 rules and regulations to govern the quarter monthly payment
19 amount and quarter monthly payment dates for taxpayers who
20 file on other than a calendar monthly basis.

21 If any such payment provided for in this Section exceeds
22 the taxpayer's liabilities under this Act, the Retailers'
23 Occupation Tax Act, the Service Occupation Tax Act and the
24 Service Use Tax Act, as shown by an original monthly return,
25 the Department shall issue to the taxpayer a credit memorandum
26 no later than 30 days after the date of payment, which

1 memorandum may be submitted by the taxpayer to the Department
2 in payment of tax liability subsequently to be remitted by the
3 taxpayer to the Department or be assigned by the taxpayer to a
4 similar taxpayer under this Act, the Retailers' Occupation Tax
5 Act, the Service Occupation Tax Act or the Service Use Tax Act,
6 in accordance with reasonable rules and regulations to be
7 prescribed by the Department, except that if such excess
8 payment is shown on an original monthly return and is made
9 after December 31, 1986, no credit memorandum shall be issued,
10 unless requested by the taxpayer. If no such request is made,
11 the taxpayer may credit such excess payment against tax
12 liability subsequently to be remitted by the taxpayer to the
13 Department under this Act, the Retailers' Occupation Tax Act,
14 the Service Occupation Tax Act or the Service Use Tax Act, in
15 accordance with reasonable rules and regulations prescribed by
16 the Department. If the Department subsequently determines that
17 all or any part of the credit taken was not actually due to the
18 taxpayer, the taxpayer's 2.1% or 1.75% vendor's discount shall
19 be reduced by 2.1% or 1.75% of the difference between the
20 credit taken and that actually due, and the taxpayer shall be
21 liable for penalties and interest on such difference.

22 If the retailer is otherwise required to file a monthly
23 return and if the retailer's average monthly tax liability to
24 the Department does not exceed \$200, the Department may
25 authorize his returns to be filed on a quarter annual basis,
26 with the return for January, February, and March of a given

1 year being due by April 20 of such year; with the return for
2 April, May and June of a given year being due by July 20 of
3 such year; with the return for July, August and September of a
4 given year being due by October 20 of such year, and with the
5 return for October, November and December of a given year
6 being due by January 20 of the following year.

7 If the retailer is otherwise required to file a monthly or
8 quarterly return and if the retailer's average monthly tax
9 liability to the Department does not exceed \$50, the
10 Department may authorize his returns to be filed on an annual
11 basis, with the return for a given year being due by January 20
12 of the following year.

13 Such quarter annual and annual returns, as to form and
14 substance, shall be subject to the same requirements as
15 monthly returns.

16 Notwithstanding any other provision in this Act concerning
17 the time within which a retailer may file his return, in the
18 case of any retailer who ceases to engage in a kind of business
19 which makes him responsible for filing returns under this Act,
20 such retailer shall file a final return under this Act with the
21 Department not more than one month after discontinuing such
22 business.

23 In addition, with respect to motor vehicles, watercraft,
24 aircraft, and trailers that are required to be registered with
25 an agency of this State, except as otherwise provided in this
26 Section, every retailer selling this kind of tangible personal

1 property shall file, with the Department, upon a form to be
2 prescribed and supplied by the Department, a separate return
3 for each such item of tangible personal property which the
4 retailer sells, except that if, in the same transaction, (i) a
5 retailer of aircraft, watercraft, motor vehicles or trailers
6 transfers more than one aircraft, watercraft, motor vehicle or
7 trailer to another aircraft, watercraft, motor vehicle or
8 trailer retailer for the purpose of resale or (ii) a retailer
9 of aircraft, watercraft, motor vehicles, or trailers transfers
10 more than one aircraft, watercraft, motor vehicle, or trailer
11 to a purchaser for use as a qualifying rolling stock as
12 provided in Section 3-55 of this Act, then that seller may
13 report the transfer of all the aircraft, watercraft, motor
14 vehicles or trailers involved in that transaction to the
15 Department on the same uniform invoice-transaction reporting
16 return form. For purposes of this Section, "watercraft" means
17 a Class 2, Class 3, or Class 4 watercraft as defined in Section
18 3-2 of the Boat Registration and Safety Act, a personal
19 watercraft, or any boat equipped with an inboard motor.

20 In addition, with respect to motor vehicles, watercraft,
21 aircraft, and trailers that are required to be registered with
22 an agency of this State, every person who is engaged in the
23 business of leasing or renting such items and who, in
24 connection with such business, sells any such item to a
25 retailer for the purpose of resale is, notwithstanding any
26 other provision of this Section to the contrary, authorized to

1 meet the return-filing requirement of this Act by reporting
2 the transfer of all the aircraft, watercraft, motor vehicles,
3 or trailers transferred for resale during a month to the
4 Department on the same uniform invoice-transaction reporting
5 return form on or before the 20th of the month following the
6 month in which the transfer takes place. Notwithstanding any
7 other provision of this Act to the contrary, all returns filed
8 under this paragraph must be filed by electronic means in the
9 manner and form as required by the Department.

10 The transaction reporting return in the case of motor
11 vehicles or trailers that are required to be registered with
12 an agency of this State, shall be the same document as the
13 Uniform Invoice referred to in Section 5-402 of the Illinois
14 Vehicle Code and must show the name and address of the seller;
15 the name and address of the purchaser; the amount of the
16 selling price including the amount allowed by the retailer for
17 traded-in property, if any; the amount allowed by the retailer
18 for the traded-in tangible personal property, if any, to the
19 extent to which Section 2 of this Act allows an exemption for
20 the value of traded-in property; the balance payable after
21 deducting such trade-in allowance from the total selling
22 price; the amount of tax due from the retailer with respect to
23 such transaction; the amount of tax collected from the
24 purchaser by the retailer on such transaction (or satisfactory
25 evidence that such tax is not due in that particular instance,
26 if that is claimed to be the fact); the place and date of the

1 sale; a sufficient identification of the property sold; such
2 other information as is required in Section 5-402 of the
3 Illinois Vehicle Code, and such other information as the
4 Department may reasonably require.

5 The transaction reporting return in the case of watercraft
6 and aircraft must show the name and address of the seller; the
7 name and address of the purchaser; the amount of the selling
8 price including the amount allowed by the retailer for
9 traded-in property, if any; the amount allowed by the retailer
10 for the traded-in tangible personal property, if any, to the
11 extent to which Section 2 of this Act allows an exemption for
12 the value of traded-in property; the balance payable after
13 deducting such trade-in allowance from the total selling
14 price; the amount of tax due from the retailer with respect to
15 such transaction; the amount of tax collected from the
16 purchaser by the retailer on such transaction (or satisfactory
17 evidence that such tax is not due in that particular instance,
18 if that is claimed to be the fact); the place and date of the
19 sale, a sufficient identification of the property sold, and
20 such other information as the Department may reasonably
21 require.

22 Such transaction reporting return shall be filed not later
23 than 20 days after the date of delivery of the item that is
24 being sold, but may be filed by the retailer at any time sooner
25 than that if he chooses to do so. The transaction reporting
26 return and tax remittance or proof of exemption from the tax

1 that is imposed by this Act may be transmitted to the
2 Department by way of the State agency with which, or State
3 officer with whom, the tangible personal property must be
4 titled or registered (if titling or registration is required)
5 if the Department and such agency or State officer determine
6 that this procedure will expedite the processing of
7 applications for title or registration.

8 With each such transaction reporting return, the retailer
9 shall remit the proper amount of tax due (or shall submit
10 satisfactory evidence that the sale is not taxable if that is
11 the case), to the Department or its agents, whereupon the
12 Department shall issue, in the purchaser's name, a tax receipt
13 (or a certificate of exemption if the Department is satisfied
14 that the particular sale is tax exempt) which such purchaser
15 may submit to the agency with which, or State officer with
16 whom, he must title or register the tangible personal property
17 that is involved (if titling or registration is required) in
18 support of such purchaser's application for an Illinois
19 certificate or other evidence of title or registration to such
20 tangible personal property.

21 No retailer's failure or refusal to remit tax under this
22 Act precludes a user, who has paid the proper tax to the
23 retailer, from obtaining his certificate of title or other
24 evidence of title or registration (if titling or registration
25 is required) upon satisfying the Department that such user has
26 paid the proper tax (if tax is due) to the retailer. The

1 Department shall adopt appropriate rules to carry out the
2 mandate of this paragraph.

3 If the user who would otherwise pay tax to the retailer
4 wants the transaction reporting return filed and the payment
5 of tax or proof of exemption made to the Department before the
6 retailer is willing to take these actions and such user has not
7 paid the tax to the retailer, such user may certify to the fact
8 of such delay by the retailer, and may (upon the Department
9 being satisfied of the truth of such certification) transmit
10 the information required by the transaction reporting return
11 and the remittance for tax or proof of exemption directly to
12 the Department and obtain his tax receipt or exemption
13 determination, in which event the transaction reporting return
14 and tax remittance (if a tax payment was required) shall be
15 credited by the Department to the proper retailer's account
16 with the Department, but without the 2.1% or 1.75% discount
17 provided for in this Section being allowed. When the user pays
18 the tax directly to the Department, he shall pay the tax in the
19 same amount and in the same form in which it would be remitted
20 if the tax had been remitted to the Department by the retailer.

21 Where a retailer collects the tax with respect to the
22 selling price of tangible personal property which he sells and
23 the purchaser thereafter returns such tangible personal
24 property and the retailer refunds the selling price thereof to
25 the purchaser, such retailer shall also refund, to the
26 purchaser, the tax so collected from the purchaser. When

1 filing his return for the period in which he refunds such tax
2 to the purchaser, the retailer may deduct the amount of the tax
3 so refunded by him to the purchaser from any other use tax
4 which such retailer may be required to pay or remit to the
5 Department, as shown by such return, if the amount of the tax
6 to be deducted was previously remitted to the Department by
7 such retailer. If the retailer has not previously remitted the
8 amount of such tax to the Department, he is entitled to no
9 deduction under this Act upon refunding such tax to the
10 purchaser.

11 Any retailer filing a return under this Section shall also
12 include (for the purpose of paying tax thereon) the total tax
13 covered by such return upon the selling price of tangible
14 personal property purchased by him at retail from a retailer,
15 but as to which the tax imposed by this Act was not collected
16 from the retailer filing such return, and such retailer shall
17 remit the amount of such tax to the Department when filing such
18 return.

19 If experience indicates such action to be practicable, the
20 Department may prescribe and furnish a combination or joint
21 return which will enable retailers, who are required to file
22 returns hereunder and also under the Retailers' Occupation Tax
23 Act, to furnish all the return information required by both
24 Acts on the one form.

25 Where the retailer has more than one business registered
26 with the Department under separate registration under this

1 Act, such retailer may not file each return that is due as a
2 single return covering all such registered businesses, but
3 shall file separate returns for each such registered business.

4 Beginning January 1, 1990, each month the Department shall
5 pay into the State and Local Sales Tax Reform Fund, a special
6 fund in the State Treasury which is hereby created, the net
7 revenue realized for the preceding month from the 1% tax
8 imposed under this Act.

9 Beginning January 1, 1990, each month the Department shall
10 pay into the County and Mass Transit District Fund 4% of the
11 net revenue realized for the preceding month from the 6.25%
12 general rate on the selling price of tangible personal
13 property which is purchased outside Illinois at retail from a
14 retailer and which is titled or registered by an agency of this
15 State's government.

16 Beginning January 1, 1990, each month the Department shall
17 pay into the State and Local Sales Tax Reform Fund, a special
18 fund in the State Treasury, 20% of the net revenue realized for
19 the preceding month from the 6.25% general rate on the selling
20 price of tangible personal property, other than (i) tangible
21 personal property which is purchased outside Illinois at
22 retail from a retailer and which is titled or registered by an
23 agency of this State's government and (ii) aviation fuel sold
24 on or after December 1, 2019. This exception for aviation fuel
25 only applies for so long as the revenue use requirements of 49
26 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State.

1 For aviation fuel sold on or after December 1, 2019, each
2 month the Department shall pay into the State Aviation Program
3 Fund 20% of the net revenue realized for the preceding month
4 from the 6.25% general rate on the selling price of aviation
5 fuel, less an amount estimated by the Department to be
6 required for refunds of the 20% portion of the tax on aviation
7 fuel under this Act, which amount shall be deposited into the
8 Aviation Fuel Sales Tax Refund Fund. The Department shall only
9 pay moneys into the State Aviation Program Fund and the
10 Aviation Fuels Sales Tax Refund Fund under this Act for so long
11 as the revenue use requirements of 49 U.S.C. 47107(b) and 49
12 U.S.C. 47133 are binding on the State.

13 Beginning August 1, 2000, each month the Department shall
14 pay into the State and Local Sales Tax Reform Fund 100% of the
15 net revenue realized for the preceding month from the 1.25%
16 rate on the selling price of motor fuel and gasohol. If, in any
17 month, the tax on sales tax holiday items, as defined in
18 Section 3-6, is imposed at the rate of 1.25%, then ~~Beginning~~
19 ~~September 1, 2010, each month~~ the Department shall pay ~~into~~
20 ~~the State and Local Sales Tax Reform Fund~~ 100% of the net
21 revenue realized for that ~~the preceding~~ month from the 1.25%
22 rate on the selling price of sales tax holiday items into the
23 State and Local Sales Tax Reform Fund.

24 Beginning January 1, 1990, each month the Department shall
25 pay into the Local Government Tax Fund 16% of the net revenue
26 realized for the preceding month from the 6.25% general rate

1 on the selling price of tangible personal property which is
2 purchased outside Illinois at retail from a retailer and which
3 is titled or registered by an agency of this State's
4 government.

5 Beginning October 1, 2009, each month the Department shall
6 pay into the Capital Projects Fund an amount that is equal to
7 an amount estimated by the Department to represent 80% of the
8 net revenue realized for the preceding month from the sale of
9 candy, grooming and hygiene products, and soft drinks that had
10 been taxed at a rate of 1% prior to September 1, 2009 but that
11 are now taxed at 6.25%.

12 Beginning July 1, 2011, each month the Department shall
13 pay into the Clean Air Act Permit Fund 80% of the net revenue
14 realized for the preceding month from the 6.25% general rate
15 on the selling price of sorbents used in Illinois in the
16 process of sorbent injection as used to comply with the
17 Environmental Protection Act or the federal Clean Air Act, but
18 the total payment into the Clean Air Act Permit Fund under this
19 Act and the Retailers' Occupation Tax Act shall not exceed
20 \$2,000,000 in any fiscal year.

21 Beginning July 1, 2013, each month the Department shall
22 pay into the Underground Storage Tank Fund from the proceeds
23 collected under this Act, the Service Use Tax Act, the Service
24 Occupation Tax Act, and the Retailers' Occupation Tax Act an
25 amount equal to the average monthly deficit in the Underground
26 Storage Tank Fund during the prior year, as certified annually

1 by the Illinois Environmental Protection Agency, but the total
2 payment into the Underground Storage Tank Fund under this Act,
3 the Service Use Tax Act, the Service Occupation Tax Act, and
4 the Retailers' Occupation Tax Act shall not exceed \$18,000,000
5 in any State fiscal year. As used in this paragraph, the
6 "average monthly deficit" shall be equal to the difference
7 between the average monthly claims for payment by the fund and
8 the average monthly revenues deposited into the fund,
9 excluding payments made pursuant to this paragraph.

10 Beginning July 1, 2015, of the remainder of the moneys
11 received by the Department under this Act, the Service Use Tax
12 Act, the Service Occupation Tax Act, and the Retailers'
13 Occupation Tax Act, each month the Department shall deposit
14 \$500,000 into the State Crime Laboratory Fund.

15 Of the remainder of the moneys received by the Department
16 pursuant to this Act, (a) 1.75% thereof shall be paid into the
17 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
18 and after July 1, 1989, 3.8% thereof shall be paid into the
19 Build Illinois Fund; provided, however, that if in any fiscal
20 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case
21 may be, of the moneys received by the Department and required
22 to be paid into the Build Illinois Fund pursuant to Section 3
23 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax
24 Act, Section 9 of the Service Use Tax Act, and Section 9 of the
25 Service Occupation Tax Act, such Acts being hereinafter called
26 the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case

1 may be, of moneys being hereinafter called the "Tax Act
2 Amount", and (2) the amount transferred to the Build Illinois
3 Fund from the State and Local Sales Tax Reform Fund shall be
4 less than the Annual Specified Amount (as defined in Section 3
5 of the Retailers' Occupation Tax Act), an amount equal to the
6 difference shall be immediately paid into the Build Illinois
7 Fund from other moneys received by the Department pursuant to
8 the Tax Acts; and further provided, that if on the last
9 business day of any month the sum of (1) the Tax Act Amount
10 required to be deposited into the Build Illinois Bond Account
11 in the Build Illinois Fund during such month and (2) the amount
12 transferred during such month to the Build Illinois Fund from
13 the State and Local Sales Tax Reform Fund shall have been less
14 than 1/12 of the Annual Specified Amount, an amount equal to
15 the difference shall be immediately paid into the Build
16 Illinois Fund from other moneys received by the Department
17 pursuant to the Tax Acts; and, further provided, that in no
18 event shall the payments required under the preceding proviso
19 result in aggregate payments into the Build Illinois Fund
20 pursuant to this clause (b) for any fiscal year in excess of
21 the greater of (i) the Tax Act Amount or (ii) the Annual
22 Specified Amount for such fiscal year; and, further provided,
23 that the amounts payable into the Build Illinois Fund under
24 this clause (b) shall be payable only until such time as the
25 aggregate amount on deposit under each trust indenture
26 securing Bonds issued and outstanding pursuant to the Build

1 Illinois Bond Act is sufficient, taking into account any
2 future investment income, to fully provide, in accordance with
3 such indenture, for the defeasance of or the payment of the
4 principal of, premium, if any, and interest on the Bonds
5 secured by such indenture and on any Bonds expected to be
6 issued thereafter and all fees and costs payable with respect
7 thereto, all as certified by the Director of the Bureau of the
8 Budget (now Governor's Office of Management and Budget). If on
9 the last business day of any month in which Bonds are
10 outstanding pursuant to the Build Illinois Bond Act, the
11 aggregate of the moneys deposited in the Build Illinois Bond
12 Account in the Build Illinois Fund in such month shall be less
13 than the amount required to be transferred in such month from
14 the Build Illinois Bond Account to the Build Illinois Bond
15 Retirement and Interest Fund pursuant to Section 13 of the
16 Build Illinois Bond Act, an amount equal to such deficiency
17 shall be immediately paid from other moneys received by the
18 Department pursuant to the Tax Acts to the Build Illinois
19 Fund; provided, however, that any amounts paid to the Build
20 Illinois Fund in any fiscal year pursuant to this sentence
21 shall be deemed to constitute payments pursuant to clause (b)
22 of the preceding sentence and shall reduce the amount
23 otherwise payable for such fiscal year pursuant to clause (b)
24 of the preceding sentence. The moneys received by the
25 Department pursuant to this Act and required to be deposited
26 into the Build Illinois Fund are subject to the pledge, claim

1 and charge set forth in Section 12 of the Build Illinois Bond
2 Act.

3 Subject to payment of amounts into the Build Illinois Fund
4 as provided in the preceding paragraph or in any amendment
5 thereto hereafter enacted, the following specified monthly
6 installment of the amount requested in the certificate of the
7 Chairman of the Metropolitan Pier and Exposition Authority
8 provided under Section 8.25f of the State Finance Act, but not
9 in excess of the sums designated as "Total Deposit", shall be
10 deposited in the aggregate from collections under Section 9 of
11 the Use Tax Act, Section 9 of the Service Use Tax Act, Section
12 9 of the Service Occupation Tax Act, and Section 3 of the
13 Retailers' Occupation Tax Act into the McCormick Place
14 Expansion Project Fund in the specified fiscal years.

15	Fiscal Year	Total Deposit
16	1993	\$0
17	1994	53,000,000
18	1995	58,000,000
19	1996	61,000,000
20	1997	64,000,000
21	1998	68,000,000
22	1999	71,000,000
23	2000	75,000,000
24	2001	80,000,000
25	2002	93,000,000
26	2003	99,000,000

1	2004	103,000,000
2	2005	108,000,000
3	2006	113,000,000
4	2007	119,000,000
5	2008	126,000,000
6	2009	132,000,000
7	2010	139,000,000
8	2011	146,000,000
9	2012	153,000,000
10	2013	161,000,000
11	2014	170,000,000
12	2015	179,000,000
13	2016	189,000,000
14	2017	199,000,000
15	2018	210,000,000
16	2019	221,000,000
17	2020	233,000,000
18	2021	300,000,000
19	2022	300,000,000
20	2023	300,000,000
21	2024	300,000,000
22	2025	300,000,000
23	2026	300,000,000
24	2027	375,000,000
25	2028	375,000,000
26	2029	375,000,000

1	2030	375,000,000
2	2031	375,000,000
3	2032	375,000,000
4	2033	375,000,000
5	2034	375,000,000
6	2035	375,000,000
7	2036	450,000,000

8 and

9 each fiscal year

10 thereafter that bonds

11 are outstanding under

12 Section 13.2 of the

13 Metropolitan Pier and

14 Exposition Authority Act,

15 but not after fiscal year 2060.

16 Beginning July 20, 1993 and in each month of each fiscal
17 year thereafter, one-eighth of the amount requested in the
18 certificate of the Chairman of the Metropolitan Pier and
19 Exposition Authority for that fiscal year, less the amount
20 deposited into the McCormick Place Expansion Project Fund by
21 the State Treasurer in the respective month under subsection
22 (g) of Section 13 of the Metropolitan Pier and Exposition
23 Authority Act, plus cumulative deficiencies in the deposits
24 required under this Section for previous months and years,
25 shall be deposited into the McCormick Place Expansion Project
26 Fund, until the full amount requested for the fiscal year, but

1 not in excess of the amount specified above as "Total
2 Deposit", has been deposited.

3 Subject to payment of amounts into the Capital Projects
4 Fund, the Clean Air Act Permit Fund, the Build Illinois Fund,
5 and the McCormick Place Expansion Project Fund pursuant to the
6 preceding paragraphs or in any amendments thereto hereafter
7 enacted, for aviation fuel sold on or after December 1, 2019,
8 the Department shall each month deposit into the Aviation Fuel
9 Sales Tax Refund Fund an amount estimated by the Department to
10 be required for refunds of the 80% portion of the tax on
11 aviation fuel under this Act. The Department shall only
12 deposit moneys into the Aviation Fuel Sales Tax Refund Fund
13 under this paragraph for so long as the revenue use
14 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
15 binding on the State.

16 Subject to payment of amounts into the Build Illinois Fund
17 and the McCormick Place Expansion Project Fund pursuant to the
18 preceding paragraphs or in any amendments thereto hereafter
19 enacted, beginning July 1, 1993 and ending on September 30,
20 2013, the Department shall each month pay into the Illinois
21 Tax Increment Fund 0.27% of 80% of the net revenue realized for
22 the preceding month from the 6.25% general rate on the selling
23 price of tangible personal property.

24 Subject to payment of amounts into the Build Illinois Fund
25 and the McCormick Place Expansion Project Fund pursuant to the
26 preceding paragraphs or in any amendments thereto hereafter

1 enacted, beginning with the receipt of the first report of
2 taxes paid by an eligible business and continuing for a
3 25-year period, the Department shall each month pay into the
4 Energy Infrastructure Fund 80% of the net revenue realized
5 from the 6.25% general rate on the selling price of
6 Illinois-mined coal that was sold to an eligible business. For
7 purposes of this paragraph, the term "eligible business" means
8 a new electric generating facility certified pursuant to
9 Section 605-332 of the Department of Commerce and Economic
10 Opportunity Law of the Civil Administrative Code of Illinois.

11 Subject to payment of amounts into the Build Illinois
12 Fund, the McCormick Place Expansion Project Fund, the Illinois
13 Tax Increment Fund, and the Energy Infrastructure Fund
14 pursuant to the preceding paragraphs or in any amendments to
15 this Section hereafter enacted, beginning on the first day of
16 the first calendar month to occur on or after August 26, 2014
17 (the effective date of Public Act 98-1098), each month, from
18 the collections made under Section 9 of the Use Tax Act,
19 Section 9 of the Service Use Tax Act, Section 9 of the Service
20 Occupation Tax Act, and Section 3 of the Retailers' Occupation
21 Tax Act, the Department shall pay into the Tax Compliance and
22 Administration Fund, to be used, subject to appropriation, to
23 fund additional auditors and compliance personnel at the
24 Department of Revenue, an amount equal to 1/12 of 5% of 80% of
25 the cash receipts collected during the preceding fiscal year
26 by the Audit Bureau of the Department under the Use Tax Act,

1 the Service Use Tax Act, the Service Occupation Tax Act, the
2 Retailers' Occupation Tax Act, and associated local occupation
3 and use taxes administered by the Department.

4 Subject to payments of amounts into the Build Illinois
5 Fund, the McCormick Place Expansion Project Fund, the Illinois
6 Tax Increment Fund, the Energy Infrastructure Fund, and the
7 Tax Compliance and Administration Fund as provided in this
8 Section, beginning on July 1, 2018 the Department shall pay
9 each month into the Downstate Public Transportation Fund the
10 moneys required to be so paid under Section 2-3 of the
11 Downstate Public Transportation Act.

12 Subject to successful execution and delivery of a
13 public-private agreement between the public agency and private
14 entity and completion of the civic build, beginning on July 1,
15 2023, of the remainder of the moneys received by the
16 Department under the Use Tax Act, the Service Use Tax Act, the
17 Service Occupation Tax Act, and this Act, the Department shall
18 deposit the following specified deposits in the aggregate from
19 collections under the Use Tax Act, the Service Use Tax Act, the
20 Service Occupation Tax Act, and the Retailers' Occupation Tax
21 Act, as required under Section 8.25g of the State Finance Act
22 for distribution consistent with the Public-Private
23 Partnership for Civic and Transit Infrastructure Project Act.
24 The moneys received by the Department pursuant to this Act and
25 required to be deposited into the Civic and Transit
26 Infrastructure Fund are subject to the pledge, claim, and

1 charge set forth in Section 25-55 of the Public-Private
 2 Partnership for Civic and Transit Infrastructure Project Act.
 3 As used in this paragraph, "civic build", "private entity",
 4 "public-private agreement", and "public agency" have the
 5 meanings provided in Section 25-10 of the Public-Private
 6 Partnership for Civic and Transit Infrastructure Project Act.

7	Fiscal Year.....	Total Deposit
8	2024	\$200,000,000
9	2025	\$206,000,000
10	2026	\$212,200,000
11	2027	\$218,500,000
12	2028	\$225,100,000
13	2029	\$288,700,000
14	2030	\$298,900,000
15	2031	\$309,300,000
16	2032	\$320,100,000
17	2033	\$331,200,000
18	2034	\$341,200,000
19	2035	\$351,400,000
20	2036	\$361,900,000
21	2037	\$372,800,000
22	2038	\$384,000,000
23	2039	\$395,500,000
24	2040	\$407,400,000
25	2041	\$419,600,000
26	2042	\$432,200,000

1 2043 \$445,100,000

2 Beginning July 1, 2021 and until July 1, 2022, subject to

3 the payment of amounts into the State and Local Sales Tax

4 Reform Fund, the Build Illinois Fund, the McCormick Place

5 Expansion Project Fund, the Illinois Tax Increment Fund, the

6 Energy Infrastructure Fund, and the Tax Compliance and

7 Administration Fund as provided in this Section, the

8 Department shall pay each month into the Road Fund the amount

9 estimated to represent 16% of the net revenue realized from

10 the taxes imposed on motor fuel and gasohol. Beginning July 1,

11 2022 and until July 1, 2023, subject to the payment of amounts

12 into the State and Local Sales Tax Reform Fund, the Build

13 Illinois Fund, the McCormick Place Expansion Project Fund, the

14 Illinois Tax Increment Fund, the Energy Infrastructure Fund,

15 and the Tax Compliance and Administration Fund as provided in

16 this Section, the Department shall pay each month into the

17 Road Fund the amount estimated to represent 32% of the net

18 revenue realized from the taxes imposed on motor fuel and

19 gasohol. Beginning July 1, 2023 and until July 1, 2024,

20 subject to the payment of amounts into the State and Local

21 Sales Tax Reform Fund, the Build Illinois Fund, the McCormick

22 Place Expansion Project Fund, the Illinois Tax Increment Fund,

23 the Energy Infrastructure Fund, and the Tax Compliance and

24 Administration Fund as provided in this Section, the

25 Department shall pay each month into the Road Fund the amount

26 estimated to represent 48% of the net revenue realized from

1 the taxes imposed on motor fuel and gasohol. Beginning July 1,
2 2024 and until July 1, 2025, subject to the payment of amounts
3 into the State and Local Sales Tax Reform Fund, the Build
4 Illinois Fund, the McCormick Place Expansion Project Fund, the
5 Illinois Tax Increment Fund, the Energy Infrastructure Fund,
6 and the Tax Compliance and Administration Fund as provided in
7 this Section, the Department shall pay each month into the
8 Road Fund the amount estimated to represent 64% of the net
9 revenue realized from the taxes imposed on motor fuel and
10 gasohol. Beginning on July 1, 2025, subject to the payment of
11 amounts into the State and Local Sales Tax Reform Fund, the
12 Build Illinois Fund, the McCormick Place Expansion Project
13 Fund, the Illinois Tax Increment Fund, the Energy
14 Infrastructure Fund, and the Tax Compliance and Administration
15 Fund as provided in this Section, the Department shall pay
16 each month into the Road Fund the amount estimated to
17 represent 80% of the net revenue realized from the taxes
18 imposed on motor fuel and gasohol. As used in this paragraph
19 "motor fuel" has the meaning given to that term in Section 1.1
20 of the Motor Fuel Tax Act, and "gasohol" has the meaning given
21 to that term in Section 3-40 of this Act.

22 Of the remainder of the moneys received by the Department
23 pursuant to this Act, 75% thereof shall be paid into the State
24 Treasury and 25% shall be reserved in a special account and
25 used only for the transfer to the Common School Fund as part of
26 the monthly transfer from the General Revenue Fund in

1 accordance with Section 8a of the State Finance Act.

2 As soon as possible after the first day of each month, upon
3 certification of the Department of Revenue, the Comptroller
4 shall order transferred and the Treasurer shall transfer from
5 the General Revenue Fund to the Motor Fuel Tax Fund an amount
6 equal to 1.7% of 80% of the net revenue realized under this Act
7 for the second preceding month. Beginning April 1, 2000, this
8 transfer is no longer required and shall not be made.

9 Net revenue realized for a month shall be the revenue
10 collected by the State pursuant to this Act, less the amount
11 paid out during that month as refunds to taxpayers for
12 overpayment of liability.

13 For greater simplicity of administration, manufacturers,
14 importers and wholesalers whose products are sold at retail in
15 Illinois by numerous retailers, and who wish to do so, may
16 assume the responsibility for accounting and paying to the
17 Department all tax accruing under this Act with respect to
18 such sales, if the retailers who are affected do not make
19 written objection to the Department to this arrangement.

20 (Source: P.A. 100-303, eff. 8-24-17; 100-363, eff. 7-1-18;
21 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; 101-10, Article
22 15, Section 15-10, eff. 6-5-19; 101-10, Article 25, Section
23 25-105, eff. 6-5-19; 101-27, eff. 6-25-19; 101-32, eff.
24 6-28-19; 101-604, eff. 12-13-19; 101-636, eff. 6-10-20.)

25 Section 65-10. The Retailers' Occupation Tax Act is

1 amended by changing Sections 2-8, 2-10 and 3 as follows:

2 (35 ILCS 120/2-8)

3 Sec. 2-8. Sales tax holiday items.

4 (a) Any ~~The~~ tangible personal property described in this
5 subsection is a sales tax holiday item and qualifies for the
6 1.25% reduced rate of tax for the period set forth in Section
7 2-10 of this Act (hereinafter referred to as the Sales Tax
8 Holiday Period). The reduced rate on these items shall be
9 administered under the provisions of subsection (b) of this
10 Section. The following items are subject to the reduced rate:

11 (1) Clothing items that each have a retail selling
12 price of less than \$125 ~~\$100~~.

13 "Clothing" means, unless otherwise specified in this
14 Section, all human wearing apparel suitable for general
15 use. "Clothing" does not include clothing accessories,
16 protective equipment, or sport or recreational equipment.
17 "Clothing" includes, but is not limited to: household and
18 shop aprons; athletic supporters; bathing suits and caps;
19 belts and suspenders; boots; coats and jackets; ear muffs;
20 footlets; gloves and mittens for general use; hats and
21 caps; hosiery; insoles for shoes; lab coats; neckties;
22 overshoes; pantyhose; rainwear; rubber pants; sandals;
23 scarves; shoes and shoelaces; slippers; sneakers; socks
24 and stockings; steel-toed shoes; underwear; and school
25 uniforms.

1 "Clothing accessories" means, but is not limited to:
2 briefcases; cosmetics; hair notions, including, but not
3 limited to barrettes, hair bows, and hair nets; handbags;
4 handkerchiefs; jewelry; non-prescription sunglasses;
5 umbrellas; wallets; watches; and wigs and hair pieces.

6 "Protective equipment" means, but is not limited to:
7 breathing masks; clean room apparel and equipment; ear and
8 hearing protectors; face shields; hard hats; helmets;
9 paint or dust respirators; protective gloves; safety
10 glasses and goggles; safety belts; tool belts; and
11 welder's gloves and masks.

12 "Sport or recreational equipment" means, but is not
13 limited to: ballet and tap shoes; cleated or spiked
14 athletic shoes; gloves, including, but not limited to,
15 baseball, bowling, boxing, hockey, and golf gloves;
16 goggles; hand and elbow guards; life preservers and vests;
17 mouth guards; roller and ice skates; shin guards; shoulder
18 pads; ski boots; waders; and wetsuits and fins.

19 (2) School supplies. "School supplies" means, unless
20 otherwise specified in this Section, items used by a
21 student in a course of study. The purchase of school
22 supplies for use by persons other than students for use in
23 a course of study are not eligible for the reduced rate of
24 tax. "School supplies" do not include school art supplies;
25 school instructional materials; cameras; film and memory
26 cards; videocameras, tapes, and videotapes; computers;

1 cell phones; Personal Digital Assistants (PDAs); handheld
2 electronic schedulers; and school computer supplies.

3 "School supplies" includes, but is not limited to:
4 binders; book bags; calculators; cellophane tape;
5 blackboard chalk; compasses; composition books; crayons;
6 erasers; expandable, pocket, plastic, and manila folders;
7 glue, paste, and paste sticks; highlighters; index cards;
8 index card boxes; legal pads; lunch boxes; markers;
9 notebooks; paper, including loose leaf ruled notebook
10 paper, copy paper, graph paper, tracing paper, manila
11 paper, colored paper, poster board, and construction
12 paper; pencils; pencil leads; pens; ink and ink refills
13 for pens; pencil boxes and other school supply boxes;
14 pencil sharpeners; protractors; rulers; scissors; and
15 writing tablets.

16 "School art supply" means an item commonly used by a
17 student in a course of study for artwork and includes only
18 the following items: clay and glazes; acrylic, tempera,
19 and oil paint; paintbrushes for artwork; sketch and
20 drawing pads; and watercolors.

21 "School instructional material" means written material
22 commonly used by a student in a course of study as a
23 reference and to learn the subject being taught and
24 includes only the following items: reference books;
25 reference maps and globes; textbooks; and workbooks.

26 "School computer supply" means an item commonly used

1 by a student in a course of study in which a computer is
2 used and applies only to the following items: flashdrives
3 and other computer data storage devices; data storage
4 media, such as diskettes and compact disks; boxes and
5 cases for disk storage; external ports or drives; computer
6 cases; computer cables; computer printers; and printer
7 cartridges, toner, and ink.

8 (b) Administration. Notwithstanding any other provision of
9 this Act, the reduced rate of tax under Section 3-10 of this
10 Act for clothing and school supplies shall be administered by
11 the Department under the provisions of this subsection (b).

12 (1) Bundled sales. Items that qualify for the reduced
13 rate of tax that are bundled together with items that do
14 not qualify for the reduced rate of tax and that are sold
15 for one itemized price will be subject to the reduced rate
16 of tax only if the value of the items that qualify for the
17 reduced rate of tax exceeds the value of the items that do
18 not qualify for the reduced rate of tax.

19 (2) Coupons and discounts. An unreimbursed discount by
20 the seller reduces the sales price of the property so that
21 the discounted sales price determines whether the sales
22 price is within a sales tax holiday price threshold. A
23 coupon or other reduction in the sales price is treated as
24 a discount if the seller is not reimbursed for the coupon
25 or reduction amount by a third party.

26 (3) Splitting of items normally sold together.

1 Articles that are normally sold as a single unit must
2 continue to be sold in that manner. Such articles cannot
3 be priced separately and sold as individual items in order
4 to obtain the reduced rate of tax. For example, a pair of
5 shoes cannot have each shoe sold separately so that the
6 sales price of each shoe is within a sales tax holiday
7 price threshold.

8 (4) Rain checks. A rain check is a procedure that
9 allows a customer to purchase an item at a certain price at
10 a later time because the particular item was out of stock.
11 Eligible property that customers purchase during the Sales
12 Tax Holiday Period with the use of a rain check will
13 qualify for the reduced rate of tax regardless of when the
14 rain check was issued. Issuance of a rain check during the
15 Sales Tax Holiday Period will not qualify eligible
16 property for the reduced rate of tax if the property is
17 actually purchased after the Sales Tax Holiday Period.

18 (5) Exchanges. The procedure for an exchange in
19 regards to a sales tax holiday is as follows:

20 (A) If a customer purchases an item of eligible
21 property during the Sales Tax Holiday Period, but
22 later exchanges the item for a similar eligible item,
23 even if a different size, different color, or other
24 feature, no additional tax is due even if the exchange
25 is made after the Sales Tax Holiday Period.

26 (B) If a customer purchases an item of eligible

1 property during the Sales Tax Holiday Period, but
2 after the Sales Tax Holiday Period has ended, the
3 customer returns the item and receives credit on the
4 purchase of a different item, the 6.25% general
5 merchandise sales tax rate is due on the sale of the
6 newly purchased item.

7 (C) If a customer purchases an item of eligible
8 property before the Sales Tax Holiday Period, but
9 during the Sales Tax Holiday Period the customer
10 returns the item and receives credit on the purchase
11 of a different item of eligible property, the reduced
12 rate of tax is due on the sale of the new item if the
13 new item is purchased during the Sales Tax Holiday
14 Period.

15 (6) (Blank). ~~Delivery charges. Delivery charges,~~
16 ~~including shipping, handling and service charges, are part~~
17 ~~of the sales price of eligible property.~~

18 (7) Order date and back orders. For the purpose of a
19 sales tax holiday, eligible property qualifies for the
20 reduced rate of tax if: (i) the item is both delivered to
21 and paid for by the customer during the Sales Tax Holiday
22 Period or (ii) the customer orders and pays for the item
23 and the seller accepts the order during the Sales Tax
24 Holiday Period for immediate shipment, even if delivery is
25 made after the Sales Tax Holiday Period. The seller
26 accepts an order when the seller has taken action to fill

1 the order for immediate shipment. Actions to fill an order
2 include placement of an "in date" stamp on an order or
3 assignment of an "order number" to an order within the
4 Sales Tax Holiday Period. An order is for immediate
5 shipment when the customer does not request delayed
6 shipment. An order is for immediate shipment
7 notwithstanding that the shipment may be delayed because
8 of a backlog of orders or because stock is currently
9 unavailable to, or on back order by, the seller.

10 (8) Returns. For a 60-day period immediately after the
11 Sales Tax Holiday Period, if a customer returns an item
12 that would qualify for the reduced rate of tax, credit for
13 or refund of sales tax shall be given only at the reduced
14 rate unless the customer provides a receipt or invoice
15 that shows tax was paid at the 6.25% general merchandise
16 rate, or the seller has sufficient documentation to show
17 that tax was paid at the 6.25% general merchandise rate on
18 the specific item. This 60-day period is set solely for
19 the purpose of designating a time period during which the
20 customer must provide documentation that shows that the
21 appropriate sales tax rate was paid on returned
22 merchandise. The 60-day period is not intended to change a
23 seller's policy on the time period during which the seller
24 will accept returns.

25 (c) The Department may implement the provisions of this
26 Section through the use of emergency rules, along with

1 permanent rules filed concurrently with such emergency rules,
2 in accordance with the provisions of Section 5-45 of the
3 Illinois Administrative Procedure Act. For purposes of the
4 Illinois Administrative Procedure Act, the adoption of rules
5 to implement the provisions of this Section shall be deemed an
6 emergency and necessary for the public interest, safety, and
7 welfare.

8 (Source: P.A. 96-1012, eff. 7-7-10.)

9 (35 ILCS 120/2-10)

10 Sec. 2-10. Rate of tax. Unless otherwise provided in this
11 Section, the tax imposed by this Act is at the rate of 6.25% of
12 gross receipts from sales of tangible personal property made
13 in the course of business.

14 Beginning on July 1, 2000 and through December 31, 2000,
15 with respect to motor fuel, as defined in Section 1.1 of the
16 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of
17 the Use Tax Act, the tax is imposed at the rate of 1.25%.

18 Beginning on August 6, 2010 through August 15, 2010, and
19 beginning again on August 5, 2022 through August 14, 2022,
20 with respect to sales tax holiday items as defined in Section
21 2-8 of this Act, the tax is imposed at the rate of 1.25%.

22 Within 14 days after the effective date of this amendatory
23 Act of the 91st General Assembly, each retailer of motor fuel
24 and gasohol shall cause the following notice to be posted in a
25 prominently visible place on each retail dispensing device

1 that is used to dispense motor fuel or gasohol in the State of
2 Illinois: "As of July 1, 2000, the State of Illinois has
3 eliminated the State's share of sales tax on motor fuel and
4 gasohol through December 31, 2000. The price on this pump
5 should reflect the elimination of the tax." The notice shall
6 be printed in bold print on a sign that is no smaller than 4
7 inches by 8 inches. The sign shall be clearly visible to
8 customers. Any retailer who fails to post or maintain a
9 required sign through December 31, 2000 is guilty of a petty
10 offense for which the fine shall be \$500 per day per each
11 retail premises where a violation occurs.

12 With respect to gasohol, as defined in the Use Tax Act, the
13 tax imposed by this Act applies to (i) 70% of the proceeds of
14 sales made on or after January 1, 1990, and before July 1,
15 2003, (ii) 80% of the proceeds of sales made on or after July
16 1, 2003 and on or before July 1, 2017, and (iii) 100% of the
17 proceeds of sales made thereafter. If, at any time, however,
18 the tax under this Act on sales of gasohol, as defined in the
19 Use Tax Act, is imposed at the rate of 1.25%, then the tax
20 imposed by this Act applies to 100% of the proceeds of sales of
21 gasohol made during that time.

22 With respect to majority blended ethanol fuel, as defined
23 in the Use Tax Act, the tax imposed by this Act does not apply
24 to the proceeds of sales made on or after July 1, 2003 and on
25 or before December 31, 2023 but applies to 100% of the proceeds
26 of sales made thereafter.

1 With respect to biodiesel blends, as defined in the Use
2 Tax Act, with no less than 1% and no more than 10% biodiesel,
3 the tax imposed by this Act applies to (i) 80% of the proceeds
4 of sales made on or after July 1, 2003 and on or before
5 December 31, 2018 and (ii) 100% of the proceeds of sales made
6 thereafter. If, at any time, however, the tax under this Act on
7 sales of biodiesel blends, as defined in the Use Tax Act, with
8 no less than 1% and no more than 10% biodiesel is imposed at
9 the rate of 1.25%, then the tax imposed by this Act applies to
10 100% of the proceeds of sales of biodiesel blends with no less
11 than 1% and no more than 10% biodiesel made during that time.

12 With respect to 100% biodiesel, as defined in the Use Tax
13 Act, and biodiesel blends, as defined in the Use Tax Act, with
14 more than 10% but no more than 99% biodiesel, the tax imposed
15 by this Act does not apply to the proceeds of sales made on or
16 after July 1, 2003 and on or before December 31, 2023 but
17 applies to 100% of the proceeds of sales made thereafter.

18 With respect to food for human consumption that is to be
19 consumed off the premises where it is sold (other than
20 alcoholic beverages, food consisting of or infused with adult
21 use cannabis, soft drinks, and food that has been prepared for
22 immediate consumption) and prescription and nonprescription
23 medicines, drugs, medical appliances, products classified as
24 Class III medical devices by the United States Food and Drug
25 Administration that are used for cancer treatment pursuant to
26 a prescription, as well as any accessories and components

1 related to those devices, modifications to a motor vehicle for
2 the purpose of rendering it usable by a person with a
3 disability, and insulin, blood sugar testing materials,
4 syringes, and needles used by human diabetics, the tax is
5 imposed at the rate of 1%. For the purposes of this Section,
6 until September 1, 2009: the term "soft drinks" means any
7 complete, finished, ready-to-use, non-alcoholic drink, whether
8 carbonated or not, including but not limited to soda water,
9 cola, fruit juice, vegetable juice, carbonated water, and all
10 other preparations commonly known as soft drinks of whatever
11 kind or description that are contained in any closed or sealed
12 bottle, can, carton, or container, regardless of size; but
13 "soft drinks" does not include coffee, tea, non-carbonated
14 water, infant formula, milk or milk products as defined in the
15 Grade A Pasteurized Milk and Milk Products Act, or drinks
16 containing 50% or more natural fruit or vegetable juice.

17 Notwithstanding any other provisions of this Act,
18 beginning September 1, 2009, "soft drinks" means non-alcoholic
19 beverages that contain natural or artificial sweeteners. "Soft
20 drinks" do not include beverages that contain milk or milk
21 products, soy, rice or similar milk substitutes, or greater
22 than 50% of vegetable or fruit juice by volume.

23 Until August 1, 2009, and notwithstanding any other
24 provisions of this Act, "food for human consumption that is to
25 be consumed off the premises where it is sold" includes all
26 food sold through a vending machine, except soft drinks and

1 food products that are dispensed hot from a vending machine,
2 regardless of the location of the vending machine. Beginning
3 August 1, 2009, and notwithstanding any other provisions of
4 this Act, "food for human consumption that is to be consumed
5 off the premises where it is sold" includes all food sold
6 through a vending machine, except soft drinks, candy, and food
7 products that are dispensed hot from a vending machine,
8 regardless of the location of the vending machine.

9 Notwithstanding any other provisions of this Act,
10 beginning September 1, 2009, "food for human consumption that
11 is to be consumed off the premises where it is sold" does not
12 include candy. For purposes of this Section, "candy" means a
13 preparation of sugar, honey, or other natural or artificial
14 sweeteners in combination with chocolate, fruits, nuts or
15 other ingredients or flavorings in the form of bars, drops, or
16 pieces. "Candy" does not include any preparation that contains
17 flour or requires refrigeration.

18 Notwithstanding any other provisions of this Act,
19 beginning September 1, 2009, "nonprescription medicines and
20 drugs" does not include grooming and hygiene products. For
21 purposes of this Section, "grooming and hygiene products"
22 includes, but is not limited to, soaps and cleaning solutions,
23 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan
24 lotions and screens, unless those products are available by
25 prescription only, regardless of whether the products meet the
26 definition of "over-the-counter-drugs". For the purposes of

1 this paragraph, "over-the-counter-drug" means a drug for human
2 use that contains a label that identifies the product as a drug
3 as required by 21 C.F.R. § 201.66. The "over-the-counter-drug"
4 label includes:

5 (A) A "Drug Facts" panel; or

6 (B) A statement of the "active ingredient(s)" with a
7 list of those ingredients contained in the compound,
8 substance or preparation.

9 Beginning on the effective date of this amendatory Act of
10 the 98th General Assembly, "prescription and nonprescription
11 medicines and drugs" includes medical cannabis purchased from
12 a registered dispensing organization under the Compassionate
13 Use of Medical Cannabis Program Act.

14 As used in this Section, "adult use cannabis" means
15 cannabis subject to tax under the Cannabis Cultivation
16 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law
17 and does not include cannabis subject to tax under the
18 Compassionate Use of Medical Cannabis Program Act.

19 (Source: P.A. 101-363, eff. 8-9-19; 101-593, eff. 12-4-19;
20 102-4, eff. 4-27-21.)

21 (35 ILCS 120/3) (from Ch. 120, par. 442)

22 Sec. 3. Except as provided in this Section, on or before
23 the twentieth day of each calendar month, every person engaged
24 in the business of selling tangible personal property at
25 retail in this State during the preceding calendar month shall

1 file a return with the Department, stating:

2 1. The name of the seller;

3 2. His residence address and the address of his
4 principal place of business and the address of the
5 principal place of business (if that is a different
6 address) from which he engages in the business of selling
7 tangible personal property at retail in this State;

8 3. Total amount of receipts received by him during the
9 preceding calendar month or quarter, as the case may be,
10 from sales of tangible personal property, and from
11 services furnished, by him during such preceding calendar
12 month or quarter;

13 4. Total amount received by him during the preceding
14 calendar month or quarter on charge and time sales of
15 tangible personal property, and from services furnished,
16 by him prior to the month or quarter for which the return
17 is filed;

18 5. Deductions allowed by law;

19 6. Gross receipts which were received by him during
20 the preceding calendar month or quarter and upon the basis
21 of which the tax is imposed;

22 7. The amount of credit provided in Section 2d of this
23 Act;

24 8. The amount of tax due;

25 9. The signature of the taxpayer; and

26 10. Such other reasonable information as the

1 Department may require.

2 On and after January 1, 2018, except for returns for motor
3 vehicles, watercraft, aircraft, and trailers that are required
4 to be registered with an agency of this State, with respect to
5 retailers whose annual gross receipts average \$20,000 or more,
6 all returns required to be filed pursuant to this Act shall be
7 filed electronically. Retailers who demonstrate that they do
8 not have access to the Internet or demonstrate hardship in
9 filing electronically may petition the Department to waive the
10 electronic filing requirement.

11 If a taxpayer fails to sign a return within 30 days after
12 the proper notice and demand for signature by the Department,
13 the return shall be considered valid and any amount shown to be
14 due on the return shall be deemed assessed.

15 Each return shall be accompanied by the statement of
16 prepaid tax issued pursuant to Section 2e for which credit is
17 claimed.

18 Prior to October 1, 2003, and on and after September 1,
19 2004 a retailer may accept a Manufacturer's Purchase Credit
20 certification from a purchaser in satisfaction of Use Tax as
21 provided in Section 3-85 of the Use Tax Act if the purchaser
22 provides the appropriate documentation as required by Section
23 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit
24 certification, accepted by a retailer prior to October 1, 2003
25 and on and after September 1, 2004 as provided in Section 3-85
26 of the Use Tax Act, may be used by that retailer to satisfy

1 Retailers' Occupation Tax liability in the amount claimed in
2 the certification, not to exceed 6.25% of the receipts subject
3 to tax from a qualifying purchase. A Manufacturer's Purchase
4 Credit reported on any original or amended return filed under
5 this Act after October 20, 2003 for reporting periods prior to
6 September 1, 2004 shall be disallowed. Manufacturer's Purchase
7 ~~Purchaser~~ Credit reported on annual returns due on or after
8 January 1, 2005 will be disallowed for periods prior to
9 September 1, 2004. No Manufacturer's Purchase Credit may be
10 used after September 30, 2003 through August 31, 2004 to
11 satisfy any tax liability imposed under this Act, including
12 any audit liability.

13 The Department may require returns to be filed on a
14 quarterly basis. If so required, a return for each calendar
15 quarter shall be filed on or before the twentieth day of the
16 calendar month following the end of such calendar quarter. The
17 taxpayer shall also file a return with the Department for each
18 of the first two months of each calendar quarter, on or before
19 the twentieth day of the following calendar month, stating:

20 1. The name of the seller;

21 2. The address of the principal place of business from
22 which he engages in the business of selling tangible
23 personal property at retail in this State;

24 3. The total amount of taxable receipts received by
25 him during the preceding calendar month from sales of
26 tangible personal property by him during such preceding

1 calendar month, including receipts from charge and time
2 sales, but less all deductions allowed by law;

3 4. The amount of credit provided in Section 2d of this
4 Act;

5 5. The amount of tax due; and

6 6. Such other reasonable information as the Department
7 may require.

8 Every person engaged in the business of selling aviation
9 fuel at retail in this State during the preceding calendar
10 month shall, instead of reporting and paying tax as otherwise
11 required by this Section, report and pay such tax on a separate
12 aviation fuel tax return. The requirements related to the
13 return shall be as otherwise provided in this Section.
14 Notwithstanding any other provisions of this Act to the
15 contrary, retailers selling aviation fuel shall file all
16 aviation fuel tax returns and shall make all aviation fuel tax
17 payments by electronic means in the manner and form required
18 by the Department. For purposes of this Section, "aviation
19 fuel" means jet fuel and aviation gasoline.

20 Beginning on October 1, 2003, any person who is not a
21 licensed distributor, importing distributor, or manufacturer,
22 as defined in the Liquor Control Act of 1934, but is engaged in
23 the business of selling, at retail, alcoholic liquor shall
24 file a statement with the Department of Revenue, in a format
25 and at a time prescribed by the Department, showing the total
26 amount paid for alcoholic liquor purchased during the

1 preceding month and such other information as is reasonably
2 required by the Department. The Department may adopt rules to
3 require that this statement be filed in an electronic or
4 telephonic format. Such rules may provide for exceptions from
5 the filing requirements of this paragraph. For the purposes of
6 this paragraph, the term "alcoholic liquor" shall have the
7 meaning prescribed in the Liquor Control Act of 1934.

8 Beginning on October 1, 2003, every distributor, importing
9 distributor, and manufacturer of alcoholic liquor as defined
10 in the Liquor Control Act of 1934, shall file a statement with
11 the Department of Revenue, no later than the 10th day of the
12 month for the preceding month during which transactions
13 occurred, by electronic means, showing the total amount of
14 gross receipts from the sale of alcoholic liquor sold or
15 distributed during the preceding month to purchasers;
16 identifying the purchaser to whom it was sold or distributed;
17 the purchaser's tax registration number; and such other
18 information reasonably required by the Department. A
19 distributor, importing distributor, or manufacturer of
20 alcoholic liquor must personally deliver, mail, or provide by
21 electronic means to each retailer listed on the monthly
22 statement a report containing a cumulative total of that
23 distributor's, importing distributor's, or manufacturer's
24 total sales of alcoholic liquor to that retailer no later than
25 the 10th day of the month for the preceding month during which
26 the transaction occurred. The distributor, importing

1 distributor, or manufacturer shall notify the retailer as to
2 the method by which the distributor, importing distributor, or
3 manufacturer will provide the sales information. If the
4 retailer is unable to receive the sales information by
5 electronic means, the distributor, importing distributor, or
6 manufacturer shall furnish the sales information by personal
7 delivery or by mail. For purposes of this paragraph, the term
8 "electronic means" includes, but is not limited to, the use of
9 a secure Internet website, e-mail, or facsimile.

10 If a total amount of less than \$1 is payable, refundable or
11 creditable, such amount shall be disregarded if it is less
12 than 50 cents and shall be increased to \$1 if it is 50 cents or
13 more.

14 Notwithstanding any other provision of this Act to the
15 contrary, retailers subject to tax on cannabis shall file all
16 cannabis tax returns and shall make all cannabis tax payments
17 by electronic means in the manner and form required by the
18 Department.

19 Beginning October 1, 1993, a taxpayer who has an average
20 monthly tax liability of \$150,000 or more shall make all
21 payments required by rules of the Department by electronic
22 funds transfer. Beginning October 1, 1994, a taxpayer who has
23 an average monthly tax liability of \$100,000 or more shall
24 make all payments required by rules of the Department by
25 electronic funds transfer. Beginning October 1, 1995, a
26 taxpayer who has an average monthly tax liability of \$50,000

1 or more shall make all payments required by rules of the
2 Department by electronic funds transfer. Beginning October 1,
3 2000, a taxpayer who has an annual tax liability of \$200,000 or
4 more shall make all payments required by rules of the
5 Department by electronic funds transfer. The term "annual tax
6 liability" shall be the sum of the taxpayer's liabilities
7 under this Act, and under all other State and local occupation
8 and use tax laws administered by the Department, for the
9 immediately preceding calendar year. The term "average monthly
10 tax liability" shall be the sum of the taxpayer's liabilities
11 under this Act, and under all other State and local occupation
12 and use tax laws administered by the Department, for the
13 immediately preceding calendar year divided by 12. Beginning
14 on October 1, 2002, a taxpayer who has a tax liability in the
15 amount set forth in subsection (b) of Section 2505-210 of the
16 Department of Revenue Law shall make all payments required by
17 rules of the Department by electronic funds transfer.

18 Before August 1 of each year beginning in 1993, the
19 Department shall notify all taxpayers required to make
20 payments by electronic funds transfer. All taxpayers required
21 to make payments by electronic funds transfer shall make those
22 payments for a minimum of one year beginning on October 1.

23 Any taxpayer not required to make payments by electronic
24 funds transfer may make payments by electronic funds transfer
25 with the permission of the Department.

26 All taxpayers required to make payment by electronic funds

1 transfer and any taxpayers authorized to voluntarily make
2 payments by electronic funds transfer shall make those
3 payments in the manner authorized by the Department.

4 The Department shall adopt such rules as are necessary to
5 effectuate a program of electronic funds transfer and the
6 requirements of this Section.

7 Any amount which is required to be shown or reported on any
8 return or other document under this Act shall, if such amount
9 is not a whole-dollar amount, be increased to the nearest
10 whole-dollar amount in any case where the fractional part of a
11 dollar is 50 cents or more, and decreased to the nearest
12 whole-dollar amount where the fractional part of a dollar is
13 less than 50 cents.

14 If the retailer is otherwise required to file a monthly
15 return and if the retailer's average monthly tax liability to
16 the Department does not exceed \$200, the Department may
17 authorize his returns to be filed on a quarter annual basis,
18 with the return for January, February and March of a given year
19 being due by April 20 of such year; with the return for April,
20 May and June of a given year being due by July 20 of such year;
21 with the return for July, August and September of a given year
22 being due by October 20 of such year, and with the return for
23 October, November and December of a given year being due by
24 January 20 of the following year.

25 If the retailer is otherwise required to file a monthly or
26 quarterly return and if the retailer's average monthly tax

1 liability with the Department does not exceed \$50, the
2 Department may authorize his returns to be filed on an annual
3 basis, with the return for a given year being due by January 20
4 of the following year.

5 Such quarter annual and annual returns, as to form and
6 substance, shall be subject to the same requirements as
7 monthly returns.

8 Notwithstanding any other provision in this Act concerning
9 the time within which a retailer may file his return, in the
10 case of any retailer who ceases to engage in a kind of business
11 which makes him responsible for filing returns under this Act,
12 such retailer shall file a final return under this Act with the
13 Department not more than one month after discontinuing such
14 business.

15 Where the same person has more than one business
16 registered with the Department under separate registrations
17 under this Act, such person may not file each return that is
18 due as a single return covering all such registered
19 businesses, but shall file separate returns for each such
20 registered business.

21 In addition, with respect to motor vehicles, watercraft,
22 aircraft, and trailers that are required to be registered with
23 an agency of this State, except as otherwise provided in this
24 Section, every retailer selling this kind of tangible personal
25 property shall file, with the Department, upon a form to be
26 prescribed and supplied by the Department, a separate return

1 for each such item of tangible personal property which the
2 retailer sells, except that if, in the same transaction, (i) a
3 retailer of aircraft, watercraft, motor vehicles or trailers
4 transfers more than one aircraft, watercraft, motor vehicle or
5 trailer to another aircraft, watercraft, motor vehicle
6 retailer or trailer retailer for the purpose of resale or (ii)
7 a retailer of aircraft, watercraft, motor vehicles, or
8 trailers transfers more than one aircraft, watercraft, motor
9 vehicle, or trailer to a purchaser for use as a qualifying
10 rolling stock as provided in Section 2-5 of this Act, then that
11 seller may report the transfer of all aircraft, watercraft,
12 motor vehicles or trailers involved in that transaction to the
13 Department on the same uniform invoice-transaction reporting
14 return form. For purposes of this Section, "watercraft" means
15 a Class 2, Class 3, or Class 4 watercraft as defined in Section
16 3-2 of the Boat Registration and Safety Act, a personal
17 watercraft, or any boat equipped with an inboard motor.

18 In addition, with respect to motor vehicles, watercraft,
19 aircraft, and trailers that are required to be registered with
20 an agency of this State, every person who is engaged in the
21 business of leasing or renting such items and who, in
22 connection with such business, sells any such item to a
23 retailer for the purpose of resale is, notwithstanding any
24 other provision of this Section to the contrary, authorized to
25 meet the return-filing requirement of this Act by reporting
26 the transfer of all the aircraft, watercraft, motor vehicles,

1 or trailers transferred for resale during a month to the
2 Department on the same uniform invoice-transaction reporting
3 return form on or before the 20th of the month following the
4 month in which the transfer takes place. Notwithstanding any
5 other provision of this Act to the contrary, all returns filed
6 under this paragraph must be filed by electronic means in the
7 manner and form as required by the Department.

8 Any retailer who sells only motor vehicles, watercraft,
9 aircraft, or trailers that are required to be registered with
10 an agency of this State, so that all retailers' occupation tax
11 liability is required to be reported, and is reported, on such
12 transaction reporting returns and who is not otherwise
13 required to file monthly or quarterly returns, need not file
14 monthly or quarterly returns. However, those retailers shall
15 be required to file returns on an annual basis.

16 The transaction reporting return, in the case of motor
17 vehicles or trailers that are required to be registered with
18 an agency of this State, shall be the same document as the
19 Uniform Invoice referred to in Section 5-402 of the Illinois
20 Vehicle Code and must show the name and address of the seller;
21 the name and address of the purchaser; the amount of the
22 selling price including the amount allowed by the retailer for
23 traded-in property, if any; the amount allowed by the retailer
24 for the traded-in tangible personal property, if any, to the
25 extent to which Section 1 of this Act allows an exemption for
26 the value of traded-in property; the balance payable after

1 deducting such trade-in allowance from the total selling
2 price; the amount of tax due from the retailer with respect to
3 such transaction; the amount of tax collected from the
4 purchaser by the retailer on such transaction (or satisfactory
5 evidence that such tax is not due in that particular instance,
6 if that is claimed to be the fact); the place and date of the
7 sale; a sufficient identification of the property sold; such
8 other information as is required in Section 5-402 of the
9 Illinois Vehicle Code, and such other information as the
10 Department may reasonably require.

11 The transaction reporting return in the case of watercraft
12 or aircraft must show the name and address of the seller; the
13 name and address of the purchaser; the amount of the selling
14 price including the amount allowed by the retailer for
15 traded-in property, if any; the amount allowed by the retailer
16 for the traded-in tangible personal property, if any, to the
17 extent to which Section 1 of this Act allows an exemption for
18 the value of traded-in property; the balance payable after
19 deducting such trade-in allowance from the total selling
20 price; the amount of tax due from the retailer with respect to
21 such transaction; the amount of tax collected from the
22 purchaser by the retailer on such transaction (or satisfactory
23 evidence that such tax is not due in that particular instance,
24 if that is claimed to be the fact); the place and date of the
25 sale, a sufficient identification of the property sold, and
26 such other information as the Department may reasonably

1 require.

2 Such transaction reporting return shall be filed not later
3 than 20 days after the day of delivery of the item that is
4 being sold, but may be filed by the retailer at any time sooner
5 than that if he chooses to do so. The transaction reporting
6 return and tax remittance or proof of exemption from the
7 Illinois use tax may be transmitted to the Department by way of
8 the State agency with which, or State officer with whom the
9 tangible personal property must be titled or registered (if
10 titling or registration is required) if the Department and
11 such agency or State officer determine that this procedure
12 will expedite the processing of applications for title or
13 registration.

14 With each such transaction reporting return, the retailer
15 shall remit the proper amount of tax due (or shall submit
16 satisfactory evidence that the sale is not taxable if that is
17 the case), to the Department or its agents, whereupon the
18 Department shall issue, in the purchaser's name, a use tax
19 receipt (or a certificate of exemption if the Department is
20 satisfied that the particular sale is tax exempt) which such
21 purchaser may submit to the agency with which, or State
22 officer with whom, he must title or register the tangible
23 personal property that is involved (if titling or registration
24 is required) in support of such purchaser's application for an
25 Illinois certificate or other evidence of title or
26 registration to such tangible personal property.

1 No retailer's failure or refusal to remit tax under this
2 Act precludes a user, who has paid the proper tax to the
3 retailer, from obtaining his certificate of title or other
4 evidence of title or registration (if titling or registration
5 is required) upon satisfying the Department that such user has
6 paid the proper tax (if tax is due) to the retailer. The
7 Department shall adopt appropriate rules to carry out the
8 mandate of this paragraph.

9 If the user who would otherwise pay tax to the retailer
10 wants the transaction reporting return filed and the payment
11 of the tax or proof of exemption made to the Department before
12 the retailer is willing to take these actions and such user has
13 not paid the tax to the retailer, such user may certify to the
14 fact of such delay by the retailer and may (upon the Department
15 being satisfied of the truth of such certification) transmit
16 the information required by the transaction reporting return
17 and the remittance for tax or proof of exemption directly to
18 the Department and obtain his tax receipt or exemption
19 determination, in which event the transaction reporting return
20 and tax remittance (if a tax payment was required) shall be
21 credited by the Department to the proper retailer's account
22 with the Department, but without the 2.1% or 1.75% discount
23 provided for in this Section being allowed. When the user pays
24 the tax directly to the Department, he shall pay the tax in the
25 same amount and in the same form in which it would be remitted
26 if the tax had been remitted to the Department by the retailer.

1 Refunds made by the seller during the preceding return
2 period to purchasers, on account of tangible personal property
3 returned to the seller, shall be allowed as a deduction under
4 subdivision 5 of his monthly or quarterly return, as the case
5 may be, in case the seller had theretofore included the
6 receipts from the sale of such tangible personal property in a
7 return filed by him and had paid the tax imposed by this Act
8 with respect to such receipts.

9 Where the seller is a corporation, the return filed on
10 behalf of such corporation shall be signed by the president,
11 vice-president, secretary or treasurer or by the properly
12 accredited agent of such corporation.

13 Where the seller is a limited liability company, the
14 return filed on behalf of the limited liability company shall
15 be signed by a manager, member, or properly accredited agent
16 of the limited liability company.

17 Except as provided in this Section, the retailer filing
18 the return under this Section shall, at the time of filing such
19 return, pay to the Department the amount of tax imposed by this
20 Act less a discount of 2.1% prior to January 1, 1990 and 1.75%
21 on and after January 1, 1990, or \$5 per calendar year,
22 whichever is greater, which is allowed to reimburse the
23 retailer for the expenses incurred in keeping records,
24 preparing and filing returns, remitting the tax and supplying
25 data to the Department on request. On and after January 1,
26 2021, a certified service provider, as defined in the Leveling

1 the Playing Field for Illinois Retail Act, filing the return
2 under this Section on behalf of a remote retailer shall, at the
3 time of such return, pay to the Department the amount of tax
4 imposed by this Act less a discount of 1.75%. A remote retailer
5 using a certified service provider to file a return on its
6 behalf, as provided in the Leveling the Playing Field for
7 Illinois Retail Act, is not eligible for the discount. When
8 determining the discount allowed under this Section, retailers
9 shall include the amount of tax that would have been due at the
10 6.25% rate but for the 1.25% rate imposed on sales tax holiday
11 items under this amendatory Act of the 102nd General Assembly.

12 The discount under this Section is not allowed for the 1.25%
13 portion of taxes paid on aviation fuel that is subject to the
14 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
15 47133. Any prepayment made pursuant to Section 2d of this Act
16 shall be included in the amount on which such 2.1% or 1.75%
17 discount is computed. In the case of retailers who report and
18 pay the tax on a transaction by transaction basis, as provided
19 in this Section, such discount shall be taken with each such
20 tax remittance instead of when such retailer files his
21 periodic return. The discount allowed under this Section is
22 allowed only for returns that are filed in the manner required
23 by this Act. The Department may disallow the discount for
24 retailers whose certificate of registration is revoked at the
25 time the return is filed, but only if the Department's
26 decision to revoke the certificate of registration has become

1 final.

2 Before October 1, 2000, if the taxpayer's average monthly
3 tax liability to the Department under this Act, the Use Tax
4 Act, the Service Occupation Tax Act, and the Service Use Tax
5 Act, excluding any liability for prepaid sales tax to be
6 remitted in accordance with Section 2d of this Act, was
7 \$10,000 or more during the preceding 4 complete calendar
8 quarters, he shall file a return with the Department each
9 month by the 20th day of the month next following the month
10 during which such tax liability is incurred and shall make
11 payments to the Department on or before the 7th, 15th, 22nd and
12 last day of the month during which such liability is incurred.
13 On and after October 1, 2000, if the taxpayer's average
14 monthly tax liability to the Department under this Act, the
15 Use Tax Act, the Service Occupation Tax Act, and the Service
16 Use Tax Act, excluding any liability for prepaid sales tax to
17 be remitted in accordance with Section 2d of this Act, was
18 \$20,000 or more during the preceding 4 complete calendar
19 quarters, he shall file a return with the Department each
20 month by the 20th day of the month next following the month
21 during which such tax liability is incurred and shall make
22 payment to the Department on or before the 7th, 15th, 22nd and
23 last day of the month during which such liability is incurred.
24 If the month during which such tax liability is incurred began
25 prior to January 1, 1985, each payment shall be in an amount
26 equal to 1/4 of the taxpayer's actual liability for the month

1 or an amount set by the Department not to exceed 1/4 of the
2 average monthly liability of the taxpayer to the Department
3 for the preceding 4 complete calendar quarters (excluding the
4 month of highest liability and the month of lowest liability
5 in such 4 quarter period). If the month during which such tax
6 liability is incurred begins on or after January 1, 1985 and
7 prior to January 1, 1987, each payment shall be in an amount
8 equal to 22.5% of the taxpayer's actual liability for the
9 month or 27.5% of the taxpayer's liability for the same
10 calendar month of the preceding year. If the month during
11 which such tax liability is incurred begins on or after
12 January 1, 1987 and prior to January 1, 1988, each payment
13 shall be in an amount equal to 22.5% of the taxpayer's actual
14 liability for the month or 26.25% of the taxpayer's liability
15 for the same calendar month of the preceding year. If the month
16 during which such tax liability is incurred begins on or after
17 January 1, 1988, and prior to January 1, 1989, or begins on or
18 after January 1, 1996, each payment shall be in an amount equal
19 to 22.5% of the taxpayer's actual liability for the month or
20 25% of the taxpayer's liability for the same calendar month of
21 the preceding year. If the month during which such tax
22 liability is incurred begins on or after January 1, 1989, and
23 prior to January 1, 1996, each payment shall be in an amount
24 equal to 22.5% of the taxpayer's actual liability for the
25 month or 25% of the taxpayer's liability for the same calendar
26 month of the preceding year or 100% of the taxpayer's actual

1 liability for the quarter monthly reporting period. The amount
2 of such quarter monthly payments shall be credited against the
3 final tax liability of the taxpayer's return for that month.
4 Before October 1, 2000, once applicable, the requirement of
5 the making of quarter monthly payments to the Department by
6 taxpayers having an average monthly tax liability of \$10,000
7 or more as determined in the manner provided above shall
8 continue until such taxpayer's average monthly liability to
9 the Department during the preceding 4 complete calendar
10 quarters (excluding the month of highest liability and the
11 month of lowest liability) is less than \$9,000, or until such
12 taxpayer's average monthly liability to the Department as
13 computed for each calendar quarter of the 4 preceding complete
14 calendar quarter period is less than \$10,000. However, if a
15 taxpayer can show the Department that a substantial change in
16 the taxpayer's business has occurred which causes the taxpayer
17 to anticipate that his average monthly tax liability for the
18 reasonably foreseeable future will fall below the \$10,000
19 threshold stated above, then such taxpayer may petition the
20 Department for a change in such taxpayer's reporting status.
21 On and after October 1, 2000, once applicable, the requirement
22 of the making of quarter monthly payments to the Department by
23 taxpayers having an average monthly tax liability of \$20,000
24 or more as determined in the manner provided above shall
25 continue until such taxpayer's average monthly liability to
26 the Department during the preceding 4 complete calendar

1 quarters (excluding the month of highest liability and the
2 month of lowest liability) is less than \$19,000 or until such
3 taxpayer's average monthly liability to the Department as
4 computed for each calendar quarter of the 4 preceding complete
5 calendar quarter period is less than \$20,000. However, if a
6 taxpayer can show the Department that a substantial change in
7 the taxpayer's business has occurred which causes the taxpayer
8 to anticipate that his average monthly tax liability for the
9 reasonably foreseeable future will fall below the \$20,000
10 threshold stated above, then such taxpayer may petition the
11 Department for a change in such taxpayer's reporting status.
12 The Department shall change such taxpayer's reporting status
13 unless it finds that such change is seasonal in nature and not
14 likely to be long term. Quarter monthly payment status shall
15 be determined under this paragraph as if the rate reduction to
16 1.25% in this amendatory Act of the 102nd General Assembly on
17 sales tax holiday items had not occurred. For quarter monthly
18 payments due on or after July 1, 2023 and through June 30,
19 2024, "25% of the taxpayer's liability for the same calendar
20 month of the preceding year" shall be determined as if the rate
21 reduction to 1.25% in this amendatory Act of the 102nd General
22 Assembly on sales tax holiday items had not occurred. If any
23 such quarter monthly payment is not paid at the time or in the
24 amount required by this Section, then the taxpayer shall be
25 liable for penalties and interest on the difference between
26 the minimum amount due as a payment and the amount of such

1 quarter monthly payment actually and timely paid, except
2 insofar as the taxpayer has previously made payments for that
3 month to the Department in excess of the minimum payments
4 previously due as provided in this Section. The Department
5 shall make reasonable rules and regulations to govern the
6 quarter monthly payment amount and quarter monthly payment
7 dates for taxpayers who file on other than a calendar monthly
8 basis.

9 The provisions of this paragraph apply before October 1,
10 2001. Without regard to whether a taxpayer is required to make
11 quarter monthly payments as specified above, any taxpayer who
12 is required by Section 2d of this Act to collect and remit
13 prepaid taxes and has collected prepaid taxes which average in
14 excess of \$25,000 per month during the preceding 2 complete
15 calendar quarters, shall file a return with the Department as
16 required by Section 2f and shall make payments to the
17 Department on or before the 7th, 15th, 22nd and last day of the
18 month during which such liability is incurred. If the month
19 during which such tax liability is incurred began prior to
20 September 1, 1985 (the effective date of Public Act 84-221),
21 each payment shall be in an amount not less than 22.5% of the
22 taxpayer's actual liability under Section 2d. If the month
23 during which such tax liability is incurred begins on or after
24 January 1, 1986, each payment shall be in an amount equal to
25 22.5% of the taxpayer's actual liability for the month or
26 27.5% of the taxpayer's liability for the same calendar month

1 of the preceding calendar year. If the month during which such
2 tax liability is incurred begins on or after January 1, 1987,
3 each payment shall be in an amount equal to 22.5% of the
4 taxpayer's actual liability for the month or 26.25% of the
5 taxpayer's liability for the same calendar month of the
6 preceding year. The amount of such quarter monthly payments
7 shall be credited against the final tax liability of the
8 taxpayer's return for that month filed under this Section or
9 Section 2f, as the case may be. Once applicable, the
10 requirement of the making of quarter monthly payments to the
11 Department pursuant to this paragraph shall continue until
12 such taxpayer's average monthly prepaid tax collections during
13 the preceding 2 complete calendar quarters is \$25,000 or less.
14 If any such quarter monthly payment is not paid at the time or
15 in the amount required, the taxpayer shall be liable for
16 penalties and interest on such difference, except insofar as
17 the taxpayer has previously made payments for that month in
18 excess of the minimum payments previously due.

19 The provisions of this paragraph apply on and after
20 October 1, 2001. Without regard to whether a taxpayer is
21 required to make quarter monthly payments as specified above,
22 any taxpayer who is required by Section 2d of this Act to
23 collect and remit prepaid taxes and has collected prepaid
24 taxes that average in excess of \$20,000 per month during the
25 preceding 4 complete calendar quarters shall file a return
26 with the Department as required by Section 2f and shall make

1 payments to the Department on or before the 7th, 15th, 22nd and
2 last day of the month during which the liability is incurred.
3 Each payment shall be in an amount equal to 22.5% of the
4 taxpayer's actual liability for the month or 25% of the
5 taxpayer's liability for the same calendar month of the
6 preceding year. The amount of the quarter monthly payments
7 shall be credited against the final tax liability of the
8 taxpayer's return for that month filed under this Section or
9 Section 2f, as the case may be. Once applicable, the
10 requirement of the making of quarter monthly payments to the
11 Department pursuant to this paragraph shall continue until the
12 taxpayer's average monthly prepaid tax collections during the
13 preceding 4 complete calendar quarters (excluding the month of
14 highest liability and the month of lowest liability) is less
15 than \$19,000 or until such taxpayer's average monthly
16 liability to the Department as computed for each calendar
17 quarter of the 4 preceding complete calendar quarters is less
18 than \$20,000. If any such quarter monthly payment is not paid
19 at the time or in the amount required, the taxpayer shall be
20 liable for penalties and interest on such difference, except
21 insofar as the taxpayer has previously made payments for that
22 month in excess of the minimum payments previously due.

23 If any payment provided for in this Section exceeds the
24 taxpayer's liabilities under this Act, the Use Tax Act, the
25 Service Occupation Tax Act and the Service Use Tax Act, as
26 shown on an original monthly return, the Department shall, if

1 requested by the taxpayer, issue to the taxpayer a credit
2 memorandum no later than 30 days after the date of payment. The
3 credit evidenced by such credit memorandum may be assigned by
4 the taxpayer to a similar taxpayer under this Act, the Use Tax
5 Act, the Service Occupation Tax Act or the Service Use Tax Act,
6 in accordance with reasonable rules and regulations to be
7 prescribed by the Department. If no such request is made, the
8 taxpayer may credit such excess payment against tax liability
9 subsequently to be remitted to the Department under this Act,
10 the Use Tax Act, the Service Occupation Tax Act or the Service
11 Use Tax Act, in accordance with reasonable rules and
12 regulations prescribed by the Department. If the Department
13 subsequently determined that all or any part of the credit
14 taken was not actually due to the taxpayer, the taxpayer's
15 2.1% and 1.75% vendor's discount shall be reduced by 2.1% or
16 1.75% of the difference between the credit taken and that
17 actually due, and that taxpayer shall be liable for penalties
18 and interest on such difference.

19 If a retailer of motor fuel is entitled to a credit under
20 Section 2d of this Act which exceeds the taxpayer's liability
21 to the Department under this Act for the month for which the
22 taxpayer is filing a return, the Department shall issue the
23 taxpayer a credit memorandum for the excess.

24 Beginning January 1, 1990, each month the Department shall
25 pay into the Local Government Tax Fund, a special fund in the
26 State treasury which is hereby created, the net revenue

1 realized for the preceding month from the 1% tax imposed under
2 this Act.

3 Beginning January 1, 1990, each month the Department shall
4 pay into the County and Mass Transit District Fund, a special
5 fund in the State treasury which is hereby created, 4% of the
6 net revenue realized for the preceding month from the 6.25%
7 general rate other than aviation fuel sold on or after
8 December 1, 2019. This exception for aviation fuel only
9 applies for so long as the revenue use requirements of 49
10 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the State.

11 Beginning August 1, 2000, each month the Department shall
12 pay into the County and Mass Transit District Fund 20% of the
13 net revenue realized for the preceding month from the 1.25%
14 rate on the selling price of motor fuel and gasohol. If, in any
15 month, the tax on sales tax holiday items, as defined in
16 Section 2-8, is imposed at the rate of 1.25%, then ~~Beginning~~
17 ~~September 1, 2010, each month~~ the Department shall pay ~~into~~
18 ~~the County and Mass Transit District Fund~~ 20% of the net
19 revenue realized for that ~~the preceding~~ month from the 1.25%
20 rate on the selling price of sales tax holiday items into the
21 County and Mass Transit District Fund.

22 Beginning January 1, 1990, each month the Department shall
23 pay into the Local Government Tax Fund 16% of the net revenue
24 realized for the preceding month from the 6.25% general rate
25 on the selling price of tangible personal property other than
26 aviation fuel sold on or after December 1, 2019. This

1 exception for aviation fuel only applies for so long as the
2 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
3 47133 are binding on the State.

4 For aviation fuel sold on or after December 1, 2019, each
5 month the Department shall pay into the State Aviation Program
6 Fund 20% of the net revenue realized for the preceding month
7 from the 6.25% general rate on the selling price of aviation
8 fuel, less an amount estimated by the Department to be
9 required for refunds of the 20% portion of the tax on aviation
10 fuel under this Act, which amount shall be deposited into the
11 Aviation Fuel Sales Tax Refund Fund. The Department shall only
12 pay moneys into the State Aviation Program Fund and the
13 Aviation Fuel Sales Tax Refund Fund under this Act for so long
14 as the revenue use requirements of 49 U.S.C. 47107(b) and 49
15 U.S.C. 47133 are binding on the State.

16 Beginning August 1, 2000, each month the Department shall
17 pay into the Local Government Tax Fund 80% of the net revenue
18 realized for the preceding month from the 1.25% rate on the
19 selling price of motor fuel and gasohol. If, in any month, the
20 tax on sales tax holiday items, as defined in Section 2-8, is
21 imposed at the rate of 1.25%, then ~~Beginning September 1,~~
22 ~~2010, each month~~ the Department shall pay ~~into the Local~~
23 ~~Government Tax Fund~~ 80% of the net revenue realized for that
24 ~~the preceding~~ month from the 1.25% rate on the selling price of
25 sales tax holiday items into the Local Government Tax Fund.

26 Beginning October 1, 2009, each month the Department shall

1 pay into the Capital Projects Fund an amount that is equal to
2 an amount estimated by the Department to represent 80% of the
3 net revenue realized for the preceding month from the sale of
4 candy, grooming and hygiene products, and soft drinks that had
5 been taxed at a rate of 1% prior to September 1, 2009 but that
6 are now taxed at 6.25%.

7 Beginning July 1, 2011, each month the Department shall
8 pay into the Clean Air Act Permit Fund 80% of the net revenue
9 realized for the preceding month from the 6.25% general rate
10 on the selling price of sorbents used in Illinois in the
11 process of sorbent injection as used to comply with the
12 Environmental Protection Act or the federal Clean Air Act, but
13 the total payment into the Clean Air Act Permit Fund under this
14 Act and the Use Tax Act shall not exceed \$2,000,000 in any
15 fiscal year.

16 Beginning July 1, 2013, each month the Department shall
17 pay into the Underground Storage Tank Fund from the proceeds
18 collected under this Act, the Use Tax Act, the Service Use Tax
19 Act, and the Service Occupation Tax Act an amount equal to the
20 average monthly deficit in the Underground Storage Tank Fund
21 during the prior year, as certified annually by the Illinois
22 Environmental Protection Agency, but the total payment into
23 the Underground Storage Tank Fund under this Act, the Use Tax
24 Act, the Service Use Tax Act, and the Service Occupation Tax
25 Act shall not exceed \$18,000,000 in any State fiscal year. As
26 used in this paragraph, the "average monthly deficit" shall be

1 equal to the difference between the average monthly claims for
2 payment by the fund and the average monthly revenues deposited
3 into the fund, excluding payments made pursuant to this
4 paragraph.

5 Beginning July 1, 2015, of the remainder of the moneys
6 received by the Department under the Use Tax Act, the Service
7 Use Tax Act, the Service Occupation Tax Act, and this Act, each
8 month the Department shall deposit \$500,000 into the State
9 Crime Laboratory Fund.

10 Of the remainder of the moneys received by the Department
11 pursuant to this Act, (a) 1.75% thereof shall be paid into the
12 Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on
13 and after July 1, 1989, 3.8% thereof shall be paid into the
14 Build Illinois Fund; provided, however, that if in any fiscal
15 year the sum of (1) the aggregate of 2.2% or 3.8%, as the case
16 may be, of the moneys received by the Department and required
17 to be paid into the Build Illinois Fund pursuant to this Act,
18 Section 9 of the Use Tax Act, Section 9 of the Service Use Tax
19 Act, and Section 9 of the Service Occupation Tax Act, such Acts
20 being hereinafter called the "Tax Acts" and such aggregate of
21 2.2% or 3.8%, as the case may be, of moneys being hereinafter
22 called the "Tax Act Amount", and (2) the amount transferred to
23 the Build Illinois Fund from the State and Local Sales Tax
24 Reform Fund shall be less than the Annual Specified Amount (as
25 hereinafter defined), an amount equal to the difference shall
26 be immediately paid into the Build Illinois Fund from other

1 moneys received by the Department pursuant to the Tax Acts;
2 the "Annual Specified Amount" means the amounts specified
3 below for fiscal years 1986 through 1993:

4	Fiscal Year	Annual Specified Amount
5	1986	\$54,800,000
6	1987	\$76,650,000
7	1988	\$80,480,000
8	1989	\$88,510,000
9	1990	\$115,330,000
10	1991	\$145,470,000
11	1992	\$182,730,000
12	1993	\$206,520,000;

13 and means the Certified Annual Debt Service Requirement (as
14 defined in Section 13 of the Build Illinois Bond Act) or the
15 Tax Act Amount, whichever is greater, for fiscal year 1994 and
16 each fiscal year thereafter; and further provided, that if on
17 the last business day of any month the sum of (1) the Tax Act
18 Amount required to be deposited into the Build Illinois Bond
19 Account in the Build Illinois Fund during such month and (2)
20 the amount transferred to the Build Illinois Fund from the
21 State and Local Sales Tax Reform Fund shall have been less than
22 1/12 of the Annual Specified Amount, an amount equal to the
23 difference shall be immediately paid into the Build Illinois
24 Fund from other moneys received by the Department pursuant to
25 the Tax Acts; and, further provided, that in no event shall the
26 payments required under the preceding proviso result in

1 aggregate payments into the Build Illinois Fund pursuant to
2 this clause (b) for any fiscal year in excess of the greater of
3 (i) the Tax Act Amount or (ii) the Annual Specified Amount for
4 such fiscal year. The amounts payable into the Build Illinois
5 Fund under clause (b) of the first sentence in this paragraph
6 shall be payable only until such time as the aggregate amount
7 on deposit under each trust indenture securing Bonds issued
8 and outstanding pursuant to the Build Illinois Bond Act is
9 sufficient, taking into account any future investment income,
10 to fully provide, in accordance with such indenture, for the
11 defeasance of or the payment of the principal of, premium, if
12 any, and interest on the Bonds secured by such indenture and on
13 any Bonds expected to be issued thereafter and all fees and
14 costs payable with respect thereto, all as certified by the
15 Director of the Bureau of the Budget (now Governor's Office of
16 Management and Budget). If on the last business day of any
17 month in which Bonds are outstanding pursuant to the Build
18 Illinois Bond Act, the aggregate of moneys deposited in the
19 Build Illinois Bond Account in the Build Illinois Fund in such
20 month shall be less than the amount required to be transferred
21 in such month from the Build Illinois Bond Account to the Build
22 Illinois Bond Retirement and Interest Fund pursuant to Section
23 13 of the Build Illinois Bond Act, an amount equal to such
24 deficiency shall be immediately paid from other moneys
25 received by the Department pursuant to the Tax Acts to the
26 Build Illinois Fund; provided, however, that any amounts paid

1 to the Build Illinois Fund in any fiscal year pursuant to this
2 sentence shall be deemed to constitute payments pursuant to
3 clause (b) of the first sentence of this paragraph and shall
4 reduce the amount otherwise payable for such fiscal year
5 pursuant to that clause (b). The moneys received by the
6 Department pursuant to this Act and required to be deposited
7 into the Build Illinois Fund are subject to the pledge, claim
8 and charge set forth in Section 12 of the Build Illinois Bond
9 Act.

10 Subject to payment of amounts into the Build Illinois Fund
11 as provided in the preceding paragraph or in any amendment
12 thereto hereafter enacted, the following specified monthly
13 installment of the amount requested in the certificate of the
14 Chairman of the Metropolitan Pier and Exposition Authority
15 provided under Section 8.25f of the State Finance Act, but not
16 in excess of sums designated as "Total Deposit", shall be
17 deposited in the aggregate from collections under Section 9 of
18 the Use Tax Act, Section 9 of the Service Use Tax Act, Section
19 9 of the Service Occupation Tax Act, and Section 3 of the
20 Retailers' Occupation Tax Act into the McCormick Place
21 Expansion Project Fund in the specified fiscal years.

22	Fiscal Year	Total Deposit
23	1993	\$0
24	1994	53,000,000
25	1995	58,000,000
26	1996	61,000,000

1	1997	64,000,000
2	1998	68,000,000
3	1999	71,000,000
4	2000	75,000,000
5	2001	80,000,000
6	2002	93,000,000
7	2003	99,000,000
8	2004	103,000,000
9	2005	108,000,000
10	2006	113,000,000
11	2007	119,000,000
12	2008	126,000,000
13	2009	132,000,000
14	2010	139,000,000
15	2011	146,000,000
16	2012	153,000,000
17	2013	161,000,000
18	2014	170,000,000
19	2015	179,000,000
20	2016	189,000,000
21	2017	199,000,000
22	2018	210,000,000
23	2019	221,000,000
24	2020	233,000,000
25	2021	300,000,000
26	2022	300,000,000

1	2023	300,000,000
2	2024	300,000,000
3	2025	300,000,000
4	2026	300,000,000
5	2027	375,000,000
6	2028	375,000,000
7	2029	375,000,000
8	2030	375,000,000
9	2031	375,000,000
10	2032	375,000,000
11	2033	375,000,000
12	2034	375,000,000
13	2035	375,000,000
14	2036	450,000,000

15 and

16 each fiscal year
17 thereafter that bonds
18 are outstanding under
19 Section 13.2 of the
20 Metropolitan Pier and
21 Exposition Authority Act,
22 but not after fiscal year 2060.

23 Beginning July 20, 1993 and in each month of each fiscal
24 year thereafter, one-eighth of the amount requested in the
25 certificate of the Chairman of the Metropolitan Pier and
26 Exposition Authority for that fiscal year, less the amount

1 deposited into the McCormick Place Expansion Project Fund by
2 the State Treasurer in the respective month under subsection
3 (g) of Section 13 of the Metropolitan Pier and Exposition
4 Authority Act, plus cumulative deficiencies in the deposits
5 required under this Section for previous months and years,
6 shall be deposited into the McCormick Place Expansion Project
7 Fund, until the full amount requested for the fiscal year, but
8 not in excess of the amount specified above as "Total
9 Deposit", has been deposited.

10 Subject to payment of amounts into the Capital Projects
11 Fund, the Clean Air Act Permit Fund, the Build Illinois Fund,
12 and the McCormick Place Expansion Project Fund pursuant to the
13 preceding paragraphs or in any amendments thereto hereafter
14 enacted, for aviation fuel sold on or after December 1, 2019,
15 the Department shall each month deposit into the Aviation Fuel
16 Sales Tax Refund Fund an amount estimated by the Department to
17 be required for refunds of the 80% portion of the tax on
18 aviation fuel under this Act. The Department shall only
19 deposit moneys into the Aviation Fuel Sales Tax Refund Fund
20 under this paragraph for so long as the revenue use
21 requirements of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are
22 binding on the State.

23 Subject to payment of amounts into the Build Illinois Fund
24 and the McCormick Place Expansion Project Fund pursuant to the
25 preceding paragraphs or in any amendments thereto hereafter
26 enacted, beginning July 1, 1993 and ending on September 30,

1 2013, the Department shall each month pay into the Illinois
2 Tax Increment Fund 0.27% of 80% of the net revenue realized for
3 the preceding month from the 6.25% general rate on the selling
4 price of tangible personal property.

5 Subject to payment of amounts into the Build Illinois Fund
6 and the McCormick Place Expansion Project Fund pursuant to the
7 preceding paragraphs or in any amendments thereto hereafter
8 enacted, beginning with the receipt of the first report of
9 taxes paid by an eligible business and continuing for a
10 25-year period, the Department shall each month pay into the
11 Energy Infrastructure Fund 80% of the net revenue realized
12 from the 6.25% general rate on the selling price of
13 Illinois-mined coal that was sold to an eligible business. For
14 purposes of this paragraph, the term "eligible business" means
15 a new electric generating facility certified pursuant to
16 Section 605-332 of the Department of Commerce and Economic
17 Opportunity Law of the Civil Administrative Code of Illinois.

18 Subject to payment of amounts into the Build Illinois
19 Fund, the McCormick Place Expansion Project Fund, the Illinois
20 Tax Increment Fund, and the Energy Infrastructure Fund
21 pursuant to the preceding paragraphs or in any amendments to
22 this Section hereafter enacted, beginning on the first day of
23 the first calendar month to occur on or after August 26, 2014
24 (the effective date of Public Act 98-1098), each month, from
25 the collections made under Section 9 of the Use Tax Act,
26 Section 9 of the Service Use Tax Act, Section 9 of the Service

1 Occupation Tax Act, and Section 3 of the Retailers' Occupation
2 Tax Act, the Department shall pay into the Tax Compliance and
3 Administration Fund, to be used, subject to appropriation, to
4 fund additional auditors and compliance personnel at the
5 Department of Revenue, an amount equal to 1/12 of 5% of 80% of
6 the cash receipts collected during the preceding fiscal year
7 by the Audit Bureau of the Department under the Use Tax Act,
8 the Service Use Tax Act, the Service Occupation Tax Act, the
9 Retailers' Occupation Tax Act, and associated local occupation
10 and use taxes administered by the Department.

11 Subject to payments of amounts into the Build Illinois
12 Fund, the McCormick Place Expansion Project Fund, the Illinois
13 Tax Increment Fund, the Energy Infrastructure Fund, and the
14 Tax Compliance and Administration Fund as provided in this
15 Section, beginning on July 1, 2018 the Department shall pay
16 each month into the Downstate Public Transportation Fund the
17 moneys required to be so paid under Section 2-3 of the
18 Downstate Public Transportation Act.

19 Subject to successful execution and delivery of a
20 public-private agreement between the public agency and private
21 entity and completion of the civic build, beginning on July 1,
22 2023, of the remainder of the moneys received by the
23 Department under the Use Tax Act, the Service Use Tax Act, the
24 Service Occupation Tax Act, and this Act, the Department shall
25 deposit the following specified deposits in the aggregate from
26 collections under the Use Tax Act, the Service Use Tax Act, the

1 Service Occupation Tax Act, and the Retailers' Occupation Tax
 2 Act, as required under Section 8.25g of the State Finance Act
 3 for distribution consistent with the Public-Private
 4 Partnership for Civic and Transit Infrastructure Project Act.
 5 The moneys received by the Department pursuant to this Act and
 6 required to be deposited into the Civic and Transit
 7 Infrastructure Fund are subject to the pledge, claim and
 8 charge set forth in Section 25-55 of the Public-Private
 9 Partnership for Civic and Transit Infrastructure Project Act.
 10 As used in this paragraph, "civic build", "private entity",
 11 "public-private agreement", and "public agency" have the
 12 meanings provided in Section 25-10 of the Public-Private
 13 Partnership for Civic and Transit Infrastructure Project Act.

14	Fiscal Year.....	Total Deposit
15	2024	\$200,000,000
16	2025	\$206,000,000
17	2026	\$212,200,000
18	2027	\$218,500,000
19	2028	\$225,100,000
20	2029	\$288,700,000
21	2030	\$298,900,000
22	2031	\$309,300,000
23	2032	\$320,100,000
24	2033	\$331,200,000
25	2034	\$341,200,000
26	2035	\$351,400,000

1	2036	.....	\$361,900,000
2	2037	.....	\$372,800,000
3	2038	.....	\$384,000,000
4	2039	.....	\$395,500,000
5	2040	.....	\$407,400,000
6	2041	.....	\$419,600,000
7	2042	.....	\$432,200,000
8	2043	.....	\$445,100,000

9 Beginning July 1, 2021 and until July 1, 2022, subject to
10 the payment of amounts into the County and Mass Transit
11 District Fund, the Local Government Tax Fund, the Build
12 Illinois Fund, the McCormick Place Expansion Project Fund, the
13 Illinois Tax Increment Fund, the Energy Infrastructure Fund,
14 and the Tax Compliance and Administration Fund as provided in
15 this Section, the Department shall pay each month into the
16 Road Fund the amount estimated to represent 16% of the net
17 revenue realized from the taxes imposed on motor fuel and
18 gasohol. Beginning July 1, 2022 and until July 1, 2023,
19 subject to the payment of amounts into the County and Mass
20 Transit District Fund, the Local Government Tax Fund, the
21 Build Illinois Fund, the McCormick Place Expansion Project
22 Fund, the Illinois Tax Increment Fund, the Energy
23 Infrastructure Fund, and the Tax Compliance and Administration
24 Fund as provided in this Section, the Department shall pay
25 each month into the Road Fund the amount estimated to
26 represent 32% of the net revenue realized from the taxes

1 imposed on motor fuel and gasohol. Beginning July 1, 2023 and
2 until July 1, 2024, subject to the payment of amounts into the
3 County and Mass Transit District Fund, the Local Government
4 Tax Fund, the Build Illinois Fund, the McCormick Place
5 Expansion Project Fund, the Illinois Tax Increment Fund, the
6 Energy Infrastructure Fund, and the Tax Compliance and
7 Administration Fund as provided in this Section, the
8 Department shall pay each month into the Road Fund the amount
9 estimated to represent 48% of the net revenue realized from
10 the taxes imposed on motor fuel and gasohol. Beginning July 1,
11 2024 and until July 1, 2025, subject to the payment of amounts
12 into the County and Mass Transit District Fund, the Local
13 Government Tax Fund, the Build Illinois Fund, the McCormick
14 Place Expansion Project Fund, the Illinois Tax Increment Fund,
15 the Energy Infrastructure Fund, and the Tax Compliance and
16 Administration Fund as provided in this Section, the
17 Department shall pay each month into the Road Fund the amount
18 estimated to represent 64% of the net revenue realized from
19 the taxes imposed on motor fuel and gasohol. Beginning on July
20 1, 2025, subject to the payment of amounts into the County and
21 Mass Transit District Fund, the Local Government Tax Fund, the
22 Build Illinois Fund, the McCormick Place Expansion Project
23 Fund, the Illinois Tax Increment Fund, the Energy
24 Infrastructure Fund, and the Tax Compliance and Administration
25 Fund as provided in this Section, the Department shall pay
26 each month into the Road Fund the amount estimated to

1 represent 80% of the net revenue realized from the taxes
2 imposed on motor fuel and gasohol. As used in this paragraph
3 "motor fuel" has the meaning given to that term in Section 1.1
4 of the Motor Fuel Tax Act, and "gasohol" has the meaning given
5 to that term in Section 3-40 of the Use Tax Act.

6 Of the remainder of the moneys received by the Department
7 pursuant to this Act, 75% thereof shall be paid into the State
8 Treasury and 25% shall be reserved in a special account and
9 used only for the transfer to the Common School Fund as part of
10 the monthly transfer from the General Revenue Fund in
11 accordance with Section 8a of the State Finance Act.

12 The Department may, upon separate written notice to a
13 taxpayer, require the taxpayer to prepare and file with the
14 Department on a form prescribed by the Department within not
15 less than 60 days after receipt of the notice an annual
16 information return for the tax year specified in the notice.
17 Such annual return to the Department shall include a statement
18 of gross receipts as shown by the retailer's last Federal
19 income tax return. If the total receipts of the business as
20 reported in the Federal income tax return do not agree with the
21 gross receipts reported to the Department of Revenue for the
22 same period, the retailer shall attach to his annual return a
23 schedule showing a reconciliation of the 2 amounts and the
24 reasons for the difference. The retailer's annual return to
25 the Department shall also disclose the cost of goods sold by
26 the retailer during the year covered by such return, opening

1 and closing inventories of such goods for such year, costs of
2 goods used from stock or taken from stock and given away by the
3 retailer during such year, payroll information of the
4 retailer's business during such year and any additional
5 reasonable information which the Department deems would be
6 helpful in determining the accuracy of the monthly, quarterly
7 or annual returns filed by such retailer as provided for in
8 this Section.

9 If the annual information return required by this Section
10 is not filed when and as required, the taxpayer shall be liable
11 as follows:

12 (i) Until January 1, 1994, the taxpayer shall be
13 liable for a penalty equal to 1/6 of 1% of the tax due from
14 such taxpayer under this Act during the period to be
15 covered by the annual return for each month or fraction of
16 a month until such return is filed as required, the
17 penalty to be assessed and collected in the same manner as
18 any other penalty provided for in this Act.

19 (ii) On and after January 1, 1994, the taxpayer shall
20 be liable for a penalty as described in Section 3-4 of the
21 Uniform Penalty and Interest Act.

22 The chief executive officer, proprietor, owner or highest
23 ranking manager shall sign the annual return to certify the
24 accuracy of the information contained therein. Any person who
25 willfully signs the annual return containing false or
26 inaccurate information shall be guilty of perjury and punished

1 accordingly. The annual return form prescribed by the
2 Department shall include a warning that the person signing the
3 return may be liable for perjury.

4 The provisions of this Section concerning the filing of an
5 annual information return do not apply to a retailer who is not
6 required to file an income tax return with the United States
7 Government.

8 As soon as possible after the first day of each month, upon
9 certification of the Department of Revenue, the Comptroller
10 shall order transferred and the Treasurer shall transfer from
11 the General Revenue Fund to the Motor Fuel Tax Fund an amount
12 equal to 1.7% of 80% of the net revenue realized under this Act
13 for the second preceding month. Beginning April 1, 2000, this
14 transfer is no longer required and shall not be made.

15 Net revenue realized for a month shall be the revenue
16 collected by the State pursuant to this Act, less the amount
17 paid out during that month as refunds to taxpayers for
18 overpayment of liability.

19 For greater simplicity of administration, manufacturers,
20 importers and wholesalers whose products are sold at retail in
21 Illinois by numerous retailers, and who wish to do so, may
22 assume the responsibility for accounting and paying to the
23 Department all tax accruing under this Act with respect to
24 such sales, if the retailers who are affected do not make
25 written objection to the Department to this arrangement.

26 Any person who promotes, organizes, provides retail

1 selling space for concessionaires or other types of sellers at
2 the Illinois State Fair, DuQuoin State Fair, county fairs,
3 local fairs, art shows, flea markets and similar exhibitions
4 or events, including any transient merchant as defined by
5 Section 2 of the Transient Merchant Act of 1987, is required to
6 file a report with the Department providing the name of the
7 merchant's business, the name of the person or persons engaged
8 in merchant's business, the permanent address and Illinois
9 Retailers Occupation Tax Registration Number of the merchant,
10 the dates and location of the event and other reasonable
11 information that the Department may require. The report must
12 be filed not later than the 20th day of the month next
13 following the month during which the event with retail sales
14 was held. Any person who fails to file a report required by
15 this Section commits a business offense and is subject to a
16 fine not to exceed \$250.

17 Any person engaged in the business of selling tangible
18 personal property at retail as a concessionaire or other type
19 of seller at the Illinois State Fair, county fairs, art shows,
20 flea markets and similar exhibitions or events, or any
21 transient merchants, as defined by Section 2 of the Transient
22 Merchant Act of 1987, may be required to make a daily report of
23 the amount of such sales to the Department and to make a daily
24 payment of the full amount of tax due. The Department shall
25 impose this requirement when it finds that there is a
26 significant risk of loss of revenue to the State at such an

1 exhibition or event. Such a finding shall be based on evidence
2 that a substantial number of concessionaires or other sellers
3 who are not residents of Illinois will be engaging in the
4 business of selling tangible personal property at retail at
5 the exhibition or event, or other evidence of a significant
6 risk of loss of revenue to the State. The Department shall
7 notify concessionaires and other sellers affected by the
8 imposition of this requirement. In the absence of notification
9 by the Department, the concessionaires and other sellers shall
10 file their returns as otherwise required in this Section.

11 (Source: P.A. 101-10, Article 15, Section 15-25, eff. 6-5-19;
12 101-10, Article 25, Section 25-120, eff. 6-5-19; 101-27, eff.
13 6-25-19; 101-32, eff. 6-28-19; 101-604, eff. 12-13-19;
14 101-636, eff. 6-10-20; 102-634, eff. 8-27-21; revised
15 12-7-21.)

16 Section 65-15. The State Finance Act is amended by
17 changing Sections 6z-18 and 6z-20 as follows:

18 (30 ILCS 105/6z-18) (from Ch. 127, par. 142z-18)

19 Sec. 6z-18. Local Government Tax Fund. A portion of the
20 money paid into the Local Government Tax Fund from sales of
21 tangible personal property taxed at the 1% rate under the
22 Retailers' Occupation Tax Act and the Service Occupation Tax
23 Act, which occurred in municipalities, shall be distributed to
24 each municipality based upon the sales which occurred in that

1 municipality. The remainder shall be distributed to each
2 county based upon the sales which occurred in the
3 unincorporated area of that county.

4 A portion of the money paid into the Local Government Tax
5 Fund from the 6.25% general use tax rate on the selling price
6 of tangible personal property which is purchased outside
7 Illinois at retail from a retailer and which is titled or
8 registered by any agency of this State's government shall be
9 distributed to municipalities as provided in this paragraph.
10 Each municipality shall receive the amount attributable to
11 sales for which Illinois addresses for titling or registration
12 purposes are given as being in such municipality. The
13 remainder of the money paid into the Local Government Tax Fund
14 from such sales shall be distributed to counties. Each county
15 shall receive the amount attributable to sales for which
16 Illinois addresses for titling or registration purposes are
17 given as being located in the unincorporated area of such
18 county.

19 A portion of the money paid into the Local Government Tax
20 Fund from the 6.25% general rate (and, beginning July 1, 2000
21 and through December 31, 2000, the 1.25% rate on motor fuel and
22 gasohol, and beginning on August 6, 2010 through August 15,
23 2010, and beginning again on August 5, 2022 through August 14,
24 2022, the 1.25% rate on sales tax holiday items) on sales
25 subject to taxation under the Retailers' Occupation Tax Act
26 and the Service Occupation Tax Act, which occurred in

1 municipalities, shall be distributed to each municipality,
2 based upon the sales which occurred in that municipality. The
3 remainder shall be distributed to each county, based upon the
4 sales which occurred in the unincorporated area of such
5 county.

6 For the purpose of determining allocation to the local
7 government unit, a retail sale by a producer of coal or other
8 mineral mined in Illinois is a sale at retail at the place
9 where the coal or other mineral mined in Illinois is extracted
10 from the earth. This paragraph does not apply to coal or other
11 mineral when it is delivered or shipped by the seller to the
12 purchaser at a point outside Illinois so that the sale is
13 exempt under the United States Constitution as a sale in
14 interstate or foreign commerce.

15 Whenever the Department determines that a refund of money
16 paid into the Local Government Tax Fund should be made to a
17 claimant instead of issuing a credit memorandum, the
18 Department shall notify the State Comptroller, who shall cause
19 the order to be drawn for the amount specified, and to the
20 person named, in such notification from the Department. Such
21 refund shall be paid by the State Treasurer out of the Local
22 Government Tax Fund.

23 As soon as possible after the first day of each month,
24 beginning January 1, 2011, upon certification of the
25 Department of Revenue, the Comptroller shall order
26 transferred, and the Treasurer shall transfer, to the STAR

1 Bonds Revenue Fund the local sales tax increment, as defined
2 in the Innovation Development and Economy Act, collected
3 during the second preceding calendar month for sales within a
4 STAR bond district and deposited into the Local Government Tax
5 Fund, less 3% of that amount, which shall be transferred into
6 the Tax Compliance and Administration Fund and shall be used
7 by the Department, subject to appropriation, to cover the
8 costs of the Department in administering the Innovation
9 Development and Economy Act.

10 After the monthly transfer to the STAR Bonds Revenue Fund,
11 on or before the 25th day of each calendar month, the
12 Department shall prepare and certify to the Comptroller the
13 disbursement of stated sums of money to named municipalities
14 and counties, the municipalities and counties to be those
15 entitled to distribution of taxes or penalties paid to the
16 Department during the second preceding calendar month. The
17 amount to be paid to each municipality or county shall be the
18 amount (not including credit memoranda) collected during the
19 second preceding calendar month by the Department and paid
20 into the Local Government Tax Fund, plus an amount the
21 Department determines is necessary to offset any amounts which
22 were erroneously paid to a different taxing body, and not
23 including an amount equal to the amount of refunds made during
24 the second preceding calendar month by the Department, and not
25 including any amount which the Department determines is
26 necessary to offset any amounts which are payable to a

1 different taxing body but were erroneously paid to the
2 municipality or county, and not including any amounts that are
3 transferred to the STAR Bonds Revenue Fund. Within 10 days
4 after receipt, by the Comptroller, of the disbursement
5 certification to the municipalities and counties, provided for
6 in this Section to be given to the Comptroller by the
7 Department, the Comptroller shall cause the orders to be drawn
8 for the respective amounts in accordance with the directions
9 contained in such certification.

10 When certifying the amount of monthly disbursement to a
11 municipality or county under this Section, the Department
12 shall increase or decrease that amount by an amount necessary
13 to offset any misallocation of previous disbursements. The
14 offset amount shall be the amount erroneously disbursed within
15 the 6 months preceding the time a misallocation is discovered.

16 The provisions directing the distributions from the
17 special fund in the State Treasury provided for in this
18 Section shall constitute an irrevocable and continuing
19 appropriation of all amounts as provided herein. The State
20 Treasurer and State Comptroller are hereby authorized to make
21 distributions as provided in this Section.

22 In construing any development, redevelopment, annexation,
23 preannexation or other lawful agreement in effect prior to
24 September 1, 1990, which describes or refers to receipts from
25 a county or municipal retailers' occupation tax, use tax or
26 service occupation tax which now cannot be imposed, such

1 description or reference shall be deemed to include the
2 replacement revenue for such abolished taxes, distributed from
3 the Local Government Tax Fund.

4 As soon as possible after the effective date of this
5 amendatory Act of the 98th General Assembly, the State
6 Comptroller shall order and the State Treasurer shall transfer
7 \$6,600,000 from the Local Government Tax Fund to the Illinois
8 State Medical Disciplinary Fund.

9 (Source: P.A. 100-1171, eff. 1-4-19.)

10 (30 ILCS 105/6z-20) (from Ch. 127, par. 142z-20)

11 Sec. 6z-20. County and Mass Transit District Fund. Of the
12 money received from the 6.25% general rate (and, beginning
13 July 1, 2000 and through December 31, 2000, the 1.25% rate on
14 motor fuel and gasohol, and beginning on August 6, 2010
15 through August 15, 2010, and beginning again on August 5, 2022
16 through August 14, 2022, the 1.25% rate on sales tax holiday
17 items) on sales subject to taxation under the Retailers'
18 Occupation Tax Act and Service Occupation Tax Act and paid
19 into the County and Mass Transit District Fund, distribution
20 to the Regional Transportation Authority tax fund, created
21 pursuant to Section 4.03 of the Regional Transportation
22 Authority Act, for deposit therein shall be made based upon
23 the retail sales occurring in a county having more than
24 3,000,000 inhabitants. The remainder shall be distributed to
25 each county having 3,000,000 or fewer inhabitants based upon

1 the retail sales occurring in each such county.

2 For the purpose of determining allocation to the local
3 government unit, a retail sale by a producer of coal or other
4 mineral mined in Illinois is a sale at retail at the place
5 where the coal or other mineral mined in Illinois is extracted
6 from the earth. This paragraph does not apply to coal or other
7 mineral when it is delivered or shipped by the seller to the
8 purchaser at a point outside Illinois so that the sale is
9 exempt under the United States Constitution as a sale in
10 interstate or foreign commerce.

11 Of the money received from the 6.25% general use tax rate
12 on tangible personal property which is purchased outside
13 Illinois at retail from a retailer and which is titled or
14 registered by any agency of this State's government and paid
15 into the County and Mass Transit District Fund, the amount for
16 which Illinois addresses for titling or registration purposes
17 are given as being in each county having more than 3,000,000
18 inhabitants shall be distributed into the Regional
19 Transportation Authority tax fund, created pursuant to Section
20 4.03 of the Regional Transportation Authority Act. The
21 remainder of the money paid from such sales shall be
22 distributed to each county based on sales for which Illinois
23 addresses for titling or registration purposes are given as
24 being located in the county. Any money paid into the Regional
25 Transportation Authority Occupation and Use Tax Replacement
26 Fund from the County and Mass Transit District Fund prior to

1 January 14, 1991, which has not been paid to the Authority
2 prior to that date, shall be transferred to the Regional
3 Transportation Authority tax fund.

4 Whenever the Department determines that a refund of money
5 paid into the County and Mass Transit District Fund should be
6 made to a claimant instead of issuing a credit memorandum, the
7 Department shall notify the State Comptroller, who shall cause
8 the order to be drawn for the amount specified, and to the
9 person named, in such notification from the Department. Such
10 refund shall be paid by the State Treasurer out of the County
11 and Mass Transit District Fund.

12 As soon as possible after the first day of each month,
13 beginning January 1, 2011, upon certification of the
14 Department of Revenue, the Comptroller shall order
15 transferred, and the Treasurer shall transfer, to the STAR
16 Bonds Revenue Fund the local sales tax increment, as defined
17 in the Innovation Development and Economy Act, collected
18 during the second preceding calendar month for sales within a
19 STAR bond district and deposited into the County and Mass
20 Transit District Fund, less 3% of that amount, which shall be
21 transferred into the Tax Compliance and Administration Fund
22 and shall be used by the Department, subject to appropriation,
23 to cover the costs of the Department in administering the
24 Innovation Development and Economy Act.

25 After the monthly transfer to the STAR Bonds Revenue Fund,
26 on or before the 25th day of each calendar month, the

1 Department shall prepare and certify to the Comptroller the
2 disbursement of stated sums of money to the Regional
3 Transportation Authority and to named counties, the counties
4 to be those entitled to distribution, as hereinabove provided,
5 of taxes or penalties paid to the Department during the second
6 preceding calendar month. The amount to be paid to the
7 Regional Transportation Authority and each county having
8 3,000,000 or fewer inhabitants shall be the amount (not
9 including credit memoranda) collected during the second
10 preceding calendar month by the Department and paid into the
11 County and Mass Transit District Fund, plus an amount the
12 Department determines is necessary to offset any amounts which
13 were erroneously paid to a different taxing body, and not
14 including an amount equal to the amount of refunds made during
15 the second preceding calendar month by the Department, and not
16 including any amount which the Department determines is
17 necessary to offset any amounts which were payable to a
18 different taxing body but were erroneously paid to the
19 Regional Transportation Authority or county, and not including
20 any amounts that are transferred to the STAR Bonds Revenue
21 Fund, less 1.5% of the amount to be paid to the Regional
22 Transportation Authority, which shall be transferred into the
23 Tax Compliance and Administration Fund. The Department, at the
24 time of each monthly disbursement to the Regional
25 Transportation Authority, shall prepare and certify to the
26 State Comptroller the amount to be transferred into the Tax

1 Compliance and Administration Fund under this Section. Within
2 10 days after receipt, by the Comptroller, of the disbursement
3 certification to the Regional Transportation Authority,
4 counties, and the Tax Compliance and Administration Fund
5 provided for in this Section to be given to the Comptroller by
6 the Department, the Comptroller shall cause the orders to be
7 drawn for the respective amounts in accordance with the
8 directions contained in such certification.

9 When certifying the amount of a monthly disbursement to
10 the Regional Transportation Authority or to a county under
11 this Section, the Department shall increase or decrease that
12 amount by an amount necessary to offset any misallocation of
13 previous disbursements. The offset amount shall be the amount
14 erroneously disbursed within the 6 months preceding the time a
15 misallocation is discovered.

16 The provisions directing the distributions from the
17 special fund in the State Treasury provided for in this
18 Section and from the Regional Transportation Authority tax
19 fund created by Section 4.03 of the Regional Transportation
20 Authority Act shall constitute an irrevocable and continuing
21 appropriation of all amounts as provided herein. The State
22 Treasurer and State Comptroller are hereby authorized to make
23 distributions as provided in this Section.

24 In construing any development, redevelopment, annexation,
25 preannexation or other lawful agreement in effect prior to
26 September 1, 1990, which describes or refers to receipts from

1 a county or municipal retailers' occupation tax, use tax or
2 service occupation tax which now cannot be imposed, such
3 description or reference shall be deemed to include the
4 replacement revenue for such abolished taxes, distributed from
5 the County and Mass Transit District Fund or Local Government
6 Distributive Fund, as the case may be.

7 (Source: P.A. 100-23, eff. 7-6-17; 100-587, eff. 6-4-18.)

8 ARTICLE 70. BREAST PUMPS

9 Section 70-5. The Use Tax Act is amended by changing
10 Section 3-5 as follows:

11 (35 ILCS 105/3-5)

12 Sec. 3-5. Exemptions. Use of the following tangible
13 personal property is exempt from the tax imposed by this Act:

14 (1) Personal property purchased from a corporation,
15 society, association, foundation, institution, or
16 organization, other than a limited liability company, that is
17 organized and operated as a not-for-profit service enterprise
18 for the benefit of persons 65 years of age or older if the
19 personal property was not purchased by the enterprise for the
20 purpose of resale by the enterprise.

21 (2) Personal property purchased by a not-for-profit
22 Illinois county fair association for use in conducting,
23 operating, or promoting the county fair.

1 (3) Personal property purchased by a not-for-profit arts
2 or cultural organization that establishes, by proof required
3 by the Department by rule, that it has received an exemption
4 under Section 501(c)(3) of the Internal Revenue Code and that
5 is organized and operated primarily for the presentation or
6 support of arts or cultural programming, activities, or
7 services. These organizations include, but are not limited to,
8 music and dramatic arts organizations such as symphony
9 orchestras and theatrical groups, arts and cultural service
10 organizations, local arts councils, visual arts organizations,
11 and media arts organizations. On and after July 1, 2001 (the
12 effective date of Public Act 92-35), however, an entity
13 otherwise eligible for this exemption shall not make tax-free
14 purchases unless it has an active identification number issued
15 by the Department.

16 (4) Personal property purchased by a governmental body, by
17 a corporation, society, association, foundation, or
18 institution organized and operated exclusively for charitable,
19 religious, or educational purposes, or by a not-for-profit
20 corporation, society, association, foundation, institution, or
21 organization that has no compensated officers or employees and
22 that is organized and operated primarily for the recreation of
23 persons 55 years of age or older. A limited liability company
24 may qualify for the exemption under this paragraph only if the
25 limited liability company is organized and operated
26 exclusively for educational purposes. On and after July 1,

1 1987, however, no entity otherwise eligible for this exemption
2 shall make tax-free purchases unless it has an active
3 exemption identification number issued by the Department.

4 (5) Until July 1, 2003, a passenger car that is a
5 replacement vehicle to the extent that the purchase price of
6 the car is subject to the Replacement Vehicle Tax.

7 (6) Until July 1, 2003 and beginning again on September 1,
8 2004 through August 30, 2014, graphic arts machinery and
9 equipment, including repair and replacement parts, both new
10 and used, and including that manufactured on special order,
11 certified by the purchaser to be used primarily for graphic
12 arts production, and including machinery and equipment
13 purchased for lease. Equipment includes chemicals or chemicals
14 acting as catalysts but only if the chemicals or chemicals
15 acting as catalysts effect a direct and immediate change upon
16 a graphic arts product. Beginning on July 1, 2017, graphic
17 arts machinery and equipment is included in the manufacturing
18 and assembling machinery and equipment exemption under
19 paragraph (18).

20 (7) Farm chemicals.

21 (8) Legal tender, currency, medallions, or gold or silver
22 coinage issued by the State of Illinois, the government of the
23 United States of America, or the government of any foreign
24 country, and bullion.

25 (9) Personal property purchased from a teacher-sponsored
26 student organization affiliated with an elementary or

1 secondary school located in Illinois.

2 (10) A motor vehicle that is used for automobile renting,
3 as defined in the Automobile Renting Occupation and Use Tax
4 Act.

5 (11) Farm machinery and equipment, both new and used,
6 including that manufactured on special order, certified by the
7 purchaser to be used primarily for production agriculture or
8 State or federal agricultural programs, including individual
9 replacement parts for the machinery and equipment, including
10 machinery and equipment purchased for lease, and including
11 implements of husbandry defined in Section 1-130 of the
12 Illinois Vehicle Code, farm machinery and agricultural
13 chemical and fertilizer spreaders, and nurse wagons required
14 to be registered under Section 3-809 of the Illinois Vehicle
15 Code, but excluding other motor vehicles required to be
16 registered under the Illinois Vehicle Code. Horticultural
17 polyhouses or hoop houses used for propagating, growing, or
18 overwintering plants shall be considered farm machinery and
19 equipment under this item (11). Agricultural chemical tender
20 tanks and dry boxes shall include units sold separately from a
21 motor vehicle required to be licensed and units sold mounted
22 on a motor vehicle required to be licensed if the selling price
23 of the tender is separately stated.

24 Farm machinery and equipment shall include precision
25 farming equipment that is installed or purchased to be
26 installed on farm machinery and equipment including, but not

1 limited to, tractors, harvesters, sprayers, planters, seeders,
2 or spreaders. Precision farming equipment includes, but is not
3 limited to, soil testing sensors, computers, monitors,
4 software, global positioning and mapping systems, and other
5 such equipment.

6 Farm machinery and equipment also includes computers,
7 sensors, software, and related equipment used primarily in the
8 computer-assisted operation of production agriculture
9 facilities, equipment, and activities such as, but not limited
10 to, the collection, monitoring, and correlation of animal and
11 crop data for the purpose of formulating animal diets and
12 agricultural chemicals. This item (11) is exempt from the
13 provisions of Section 3-90.

14 (12) Until June 30, 2013, fuel and petroleum products sold
15 to or used by an air common carrier, certified by the carrier
16 to be used for consumption, shipment, or storage in the
17 conduct of its business as an air common carrier, for a flight
18 destined for or returning from a location or locations outside
19 the United States without regard to previous or subsequent
20 domestic stopovers.

21 Beginning July 1, 2013, fuel and petroleum products sold
22 to or used by an air carrier, certified by the carrier to be
23 used for consumption, shipment, or storage in the conduct of
24 its business as an air common carrier, for a flight that (i) is
25 engaged in foreign trade or is engaged in trade between the
26 United States and any of its possessions and (ii) transports

1 at least one individual or package for hire from the city of
2 origination to the city of final destination on the same
3 aircraft, without regard to a change in the flight number of
4 that aircraft.

5 (13) Proceeds of mandatory service charges separately
6 stated on customers' bills for the purchase and consumption of
7 food and beverages purchased at retail from a retailer, to the
8 extent that the proceeds of the service charge are in fact
9 turned over as tips or as a substitute for tips to the
10 employees who participate directly in preparing, serving,
11 hosting or cleaning up the food or beverage function with
12 respect to which the service charge is imposed.

13 (14) Until July 1, 2003, oil field exploration, drilling,
14 and production equipment, including (i) rigs and parts of
15 rigs, rotary rigs, cable tool rigs, and workover rigs, (ii)
16 pipe and tubular goods, including casing and drill strings,
17 (iii) pumps and pump-jack units, (iv) storage tanks and flow
18 lines, (v) any individual replacement part for oil field
19 exploration, drilling, and production equipment, and (vi)
20 machinery and equipment purchased for lease; but excluding
21 motor vehicles required to be registered under the Illinois
22 Vehicle Code.

23 (15) Photoprocessing machinery and equipment, including
24 repair and replacement parts, both new and used, including
25 that manufactured on special order, certified by the purchaser
26 to be used primarily for photoprocessing, and including

1 photoprocessing machinery and equipment purchased for lease.

2 (16) Until July 1, 2023, coal and aggregate exploration,
3 mining, off-highway hauling, processing, maintenance, and
4 reclamation equipment, including replacement parts and
5 equipment, and including equipment purchased for lease, but
6 excluding motor vehicles required to be registered under the
7 Illinois Vehicle Code. The changes made to this Section by
8 Public Act 97-767 apply on and after July 1, 2003, but no claim
9 for credit or refund is allowed on or after August 16, 2013
10 (the effective date of Public Act 98-456) for such taxes paid
11 during the period beginning July 1, 2003 and ending on August
12 16, 2013 (the effective date of Public Act 98-456).

13 (17) Until July 1, 2003, distillation machinery and
14 equipment, sold as a unit or kit, assembled or installed by the
15 retailer, certified by the user to be used only for the
16 production of ethyl alcohol that will be used for consumption
17 as motor fuel or as a component of motor fuel for the personal
18 use of the user, and not subject to sale or resale.

19 (18) Manufacturing and assembling machinery and equipment
20 used primarily in the process of manufacturing or assembling
21 tangible personal property for wholesale or retail sale or
22 lease, whether that sale or lease is made directly by the
23 manufacturer or by some other person, whether the materials
24 used in the process are owned by the manufacturer or some other
25 person, or whether that sale or lease is made apart from or as
26 an incident to the seller's engaging in the service occupation

1 of producing machines, tools, dies, jigs, patterns, gauges, or
2 other similar items of no commercial value on special order
3 for a particular purchaser. The exemption provided by this
4 paragraph (18) includes production related tangible personal
5 property, as defined in Section 3-50, purchased on or after
6 July 1, 2019. The exemption provided by this paragraph (18)
7 does not include machinery and equipment used in (i) the
8 generation of electricity for wholesale or retail sale; (ii)
9 the generation or treatment of natural or artificial gas for
10 wholesale or retail sale that is delivered to customers
11 through pipes, pipelines, or mains; or (iii) the treatment of
12 water for wholesale or retail sale that is delivered to
13 customers through pipes, pipelines, or mains. The provisions
14 of Public Act 98-583 are declaratory of existing law as to the
15 meaning and scope of this exemption. Beginning on July 1,
16 2017, the exemption provided by this paragraph (18) includes,
17 but is not limited to, graphic arts machinery and equipment,
18 as defined in paragraph (6) of this Section.

19 (19) Personal property delivered to a purchaser or
20 purchaser's donee inside Illinois when the purchase order for
21 that personal property was received by a florist located
22 outside Illinois who has a florist located inside Illinois
23 deliver the personal property.

24 (20) Semen used for artificial insemination of livestock
25 for direct agricultural production.

26 (21) Horses, or interests in horses, registered with and

1 meeting the requirements of any of the Arabian Horse Club
2 Registry of America, Appaloosa Horse Club, American Quarter
3 Horse Association, United States Trotting Association, or
4 Jockey Club, as appropriate, used for purposes of breeding or
5 racing for prizes. This item (21) is exempt from the
6 provisions of Section 3-90, and the exemption provided for
7 under this item (21) applies for all periods beginning May 30,
8 1995, but no claim for credit or refund is allowed on or after
9 January 1, 2008 for such taxes paid during the period
10 beginning May 30, 2000 and ending on January 1, 2008.

11 (22) Computers and communications equipment utilized for
12 any hospital purpose and equipment used in the diagnosis,
13 analysis, or treatment of hospital patients purchased by a
14 lessor who leases the equipment, under a lease of one year or
15 longer executed or in effect at the time the lessor would
16 otherwise be subject to the tax imposed by this Act, to a
17 hospital that has been issued an active tax exemption
18 identification number by the Department under Section 1g of
19 the Retailers' Occupation Tax Act. If the equipment is leased
20 in a manner that does not qualify for this exemption or is used
21 in any other non-exempt manner, the lessor shall be liable for
22 the tax imposed under this Act or the Service Use Tax Act, as
23 the case may be, based on the fair market value of the property
24 at the time the non-qualifying use occurs. No lessor shall
25 collect or attempt to collect an amount (however designated)
26 that purports to reimburse that lessor for the tax imposed by

1 this Act or the Service Use Tax Act, as the case may be, if the
2 tax has not been paid by the lessor. If a lessor improperly
3 collects any such amount from the lessee, the lessee shall
4 have a legal right to claim a refund of that amount from the
5 lessor. If, however, that amount is not refunded to the lessee
6 for any reason, the lessor is liable to pay that amount to the
7 Department.

8 (23) Personal property purchased by a lessor who leases
9 the property, under a lease of one year or longer executed or
10 in effect at the time the lessor would otherwise be subject to
11 the tax imposed by this Act, to a governmental body that has
12 been issued an active sales tax exemption identification
13 number by the Department under Section 1g of the Retailers'
14 Occupation Tax Act. If the property is leased in a manner that
15 does not qualify for this exemption or used in any other
16 non-exempt manner, the lessor shall be liable for the tax
17 imposed under this Act or the Service Use Tax Act, as the case
18 may be, based on the fair market value of the property at the
19 time the non-qualifying use occurs. No lessor shall collect or
20 attempt to collect an amount (however designated) that
21 purports to reimburse that lessor for the tax imposed by this
22 Act or the Service Use Tax Act, as the case may be, if the tax
23 has not been paid by the lessor. If a lessor improperly
24 collects any such amount from the lessee, the lessee shall
25 have a legal right to claim a refund of that amount from the
26 lessor. If, however, that amount is not refunded to the lessee

1 for any reason, the lessor is liable to pay that amount to the
2 Department.

3 (24) Beginning with taxable years ending on or after
4 December 31, 1995 and ending with taxable years ending on or
5 before December 31, 2004, personal property that is donated
6 for disaster relief to be used in a State or federally declared
7 disaster area in Illinois or bordering Illinois by a
8 manufacturer or retailer that is registered in this State to a
9 corporation, society, association, foundation, or institution
10 that has been issued a sales tax exemption identification
11 number by the Department that assists victims of the disaster
12 who reside within the declared disaster area.

13 (25) Beginning with taxable years ending on or after
14 December 31, 1995 and ending with taxable years ending on or
15 before December 31, 2004, personal property that is used in
16 the performance of infrastructure repairs in this State,
17 including but not limited to municipal roads and streets,
18 access roads, bridges, sidewalks, waste disposal systems,
19 water and sewer line extensions, water distribution and
20 purification facilities, storm water drainage and retention
21 facilities, and sewage treatment facilities, resulting from a
22 State or federally declared disaster in Illinois or bordering
23 Illinois when such repairs are initiated on facilities located
24 in the declared disaster area within 6 months after the
25 disaster.

26 (26) Beginning July 1, 1999, game or game birds purchased

1 at a "game breeding and hunting preserve area" as that term is
2 used in the Wildlife Code. This paragraph is exempt from the
3 provisions of Section 3-90.

4 (27) A motor vehicle, as that term is defined in Section
5 1-146 of the Illinois Vehicle Code, that is donated to a
6 corporation, limited liability company, society, association,
7 foundation, or institution that is determined by the
8 Department to be organized and operated exclusively for
9 educational purposes. For purposes of this exemption, "a
10 corporation, limited liability company, society, association,
11 foundation, or institution organized and operated exclusively
12 for educational purposes" means all tax-supported public
13 schools, private schools that offer systematic instruction in
14 useful branches of learning by methods common to public
15 schools and that compare favorably in their scope and
16 intensity with the course of study presented in tax-supported
17 schools, and vocational or technical schools or institutes
18 organized and operated exclusively to provide a course of
19 study of not less than 6 weeks duration and designed to prepare
20 individuals to follow a trade or to pursue a manual,
21 technical, mechanical, industrial, business, or commercial
22 occupation.

23 (28) Beginning January 1, 2000, personal property,
24 including food, purchased through fundraising events for the
25 benefit of a public or private elementary or secondary school,
26 a group of those schools, or one or more school districts if

1 the events are sponsored by an entity recognized by the school
2 district that consists primarily of volunteers and includes
3 parents and teachers of the school children. This paragraph
4 does not apply to fundraising events (i) for the benefit of
5 private home instruction or (ii) for which the fundraising
6 entity purchases the personal property sold at the events from
7 another individual or entity that sold the property for the
8 purpose of resale by the fundraising entity and that profits
9 from the sale to the fundraising entity. This paragraph is
10 exempt from the provisions of Section 3-90.

11 (29) Beginning January 1, 2000 and through December 31,
12 2001, new or used automatic vending machines that prepare and
13 serve hot food and beverages, including coffee, soup, and
14 other items, and replacement parts for these machines.
15 Beginning January 1, 2002 and through June 30, 2003, machines
16 and parts for machines used in commercial, coin-operated
17 amusement and vending business if a use or occupation tax is
18 paid on the gross receipts derived from the use of the
19 commercial, coin-operated amusement and vending machines. This
20 paragraph is exempt from the provisions of Section 3-90.

21 (30) Beginning January 1, 2001 and through June 30, 2016,
22 food for human consumption that is to be consumed off the
23 premises where it is sold (other than alcoholic beverages,
24 soft drinks, and food that has been prepared for immediate
25 consumption) and prescription and nonprescription medicines,
26 drugs, medical appliances, and insulin, urine testing

1 materials, syringes, and needles used by diabetics, for human
2 use, when purchased for use by a person receiving medical
3 assistance under Article V of the Illinois Public Aid Code who
4 resides in a licensed long-term care facility, as defined in
5 the Nursing Home Care Act, or in a licensed facility as defined
6 in the ID/DD Community Care Act, the MC/DD Act, or the
7 Specialized Mental Health Rehabilitation Act of 2013.

8 (31) Beginning on August 2, 2001 (the effective date of
9 Public Act 92-227), computers and communications equipment
10 utilized for any hospital purpose and equipment used in the
11 diagnosis, analysis, or treatment of hospital patients
12 purchased by a lessor who leases the equipment, under a lease
13 of one year or longer executed or in effect at the time the
14 lessor would otherwise be subject to the tax imposed by this
15 Act, to a hospital that has been issued an active tax exemption
16 identification number by the Department under Section 1g of
17 the Retailers' Occupation Tax Act. If the equipment is leased
18 in a manner that does not qualify for this exemption or is used
19 in any other nonexempt manner, the lessor shall be liable for
20 the tax imposed under this Act or the Service Use Tax Act, as
21 the case may be, based on the fair market value of the property
22 at the time the nonqualifying use occurs. No lessor shall
23 collect or attempt to collect an amount (however designated)
24 that purports to reimburse that lessor for the tax imposed by
25 this Act or the Service Use Tax Act, as the case may be, if the
26 tax has not been paid by the lessor. If a lessor improperly

1 collects any such amount from the lessee, the lessee shall
2 have a legal right to claim a refund of that amount from the
3 lessor. If, however, that amount is not refunded to the lessee
4 for any reason, the lessor is liable to pay that amount to the
5 Department. This paragraph is exempt from the provisions of
6 Section 3-90.

7 (32) Beginning on August 2, 2001 (the effective date of
8 Public Act 92-227), personal property purchased by a lessor
9 who leases the property, under a lease of one year or longer
10 executed or in effect at the time the lessor would otherwise be
11 subject to the tax imposed by this Act, to a governmental body
12 that has been issued an active sales tax exemption
13 identification number by the Department under Section 1g of
14 the Retailers' Occupation Tax Act. If the property is leased
15 in a manner that does not qualify for this exemption or used in
16 any other nonexempt manner, the lessor shall be liable for the
17 tax imposed under this Act or the Service Use Tax Act, as the
18 case may be, based on the fair market value of the property at
19 the time the nonqualifying use occurs. No lessor shall collect
20 or attempt to collect an amount (however designated) that
21 purports to reimburse that lessor for the tax imposed by this
22 Act or the Service Use Tax Act, as the case may be, if the tax
23 has not been paid by the lessor. If a lessor improperly
24 collects any such amount from the lessee, the lessee shall
25 have a legal right to claim a refund of that amount from the
26 lessor. If, however, that amount is not refunded to the lessee

1 for any reason, the lessor is liable to pay that amount to the
2 Department. This paragraph is exempt from the provisions of
3 Section 3-90.

4 (33) On and after July 1, 2003 and through June 30, 2004,
5 the use in this State of motor vehicles of the second division
6 with a gross vehicle weight in excess of 8,000 pounds and that
7 are subject to the commercial distribution fee imposed under
8 Section 3-815.1 of the Illinois Vehicle Code. Beginning on
9 July 1, 2004 and through June 30, 2005, the use in this State
10 of motor vehicles of the second division: (i) with a gross
11 vehicle weight rating in excess of 8,000 pounds; (ii) that are
12 subject to the commercial distribution fee imposed under
13 Section 3-815.1 of the Illinois Vehicle Code; and (iii) that
14 are primarily used for commercial purposes. Through June 30,
15 2005, this exemption applies to repair and replacement parts
16 added after the initial purchase of such a motor vehicle if
17 that motor vehicle is used in a manner that would qualify for
18 the rolling stock exemption otherwise provided for in this
19 Act. For purposes of this paragraph, the term "used for
20 commercial purposes" means the transportation of persons or
21 property in furtherance of any commercial or industrial
22 enterprise, whether for-hire or not.

23 (34) Beginning January 1, 2008, tangible personal property
24 used in the construction or maintenance of a community water
25 supply, as defined under Section 3.145 of the Environmental
26 Protection Act, that is operated by a not-for-profit

1 corporation that holds a valid water supply permit issued
2 under Title IV of the Environmental Protection Act. This
3 paragraph is exempt from the provisions of Section 3-90.

4 (35) Beginning January 1, 2010 and continuing through
5 December 31, 2024, materials, parts, equipment, components,
6 and furnishings incorporated into or upon an aircraft as part
7 of the modification, refurbishment, completion, replacement,
8 repair, or maintenance of the aircraft. This exemption
9 includes consumable supplies used in the modification,
10 refurbishment, completion, replacement, repair, and
11 maintenance of aircraft, but excludes any materials, parts,
12 equipment, components, and consumable supplies used in the
13 modification, replacement, repair, and maintenance of aircraft
14 engines or power plants, whether such engines or power plants
15 are installed or uninstalled upon any such aircraft.
16 "Consumable supplies" include, but are not limited to,
17 adhesive, tape, sandpaper, general purpose lubricants,
18 cleaning solution, latex gloves, and protective films. This
19 exemption applies only to the use of qualifying tangible
20 personal property by persons who modify, refurbish, complete,
21 repair, replace, or maintain aircraft and who (i) hold an Air
22 Agency Certificate and are empowered to operate an approved
23 repair station by the Federal Aviation Administration, (ii)
24 have a Class IV Rating, and (iii) conduct operations in
25 accordance with Part 145 of the Federal Aviation Regulations.
26 The exemption does not include aircraft operated by a

1 commercial air carrier providing scheduled passenger air
2 service pursuant to authority issued under Part 121 or Part
3 129 of the Federal Aviation Regulations. The changes made to
4 this paragraph (35) by Public Act 98-534 are declarative of
5 existing law. It is the intent of the General Assembly that the
6 exemption under this paragraph (35) applies continuously from
7 January 1, 2010 through December 31, 2024; however, no claim
8 for credit or refund is allowed for taxes paid as a result of
9 the disallowance of this exemption on or after January 1, 2015
10 and prior to the effective date of this amendatory Act of the
11 101st General Assembly.

12 (36) Tangible personal property purchased by a
13 public-facilities corporation, as described in Section
14 11-65-10 of the Illinois Municipal Code, for purposes of
15 constructing or furnishing a municipal convention hall, but
16 only if the legal title to the municipal convention hall is
17 transferred to the municipality without any further
18 consideration by or on behalf of the municipality at the time
19 of the completion of the municipal convention hall or upon the
20 retirement or redemption of any bonds or other debt
21 instruments issued by the public-facilities corporation in
22 connection with the development of the municipal convention
23 hall. This exemption includes existing public-facilities
24 corporations as provided in Section 11-65-25 of the Illinois
25 Municipal Code. This paragraph is exempt from the provisions
26 of Section 3-90.

1 (37) Beginning January 1, 2017 and through December 31,
2 2026, menstrual pads, tampons, and menstrual cups.

3 (38) Merchandise that is subject to the Rental Purchase
4 Agreement Occupation and Use Tax. The purchaser must certify
5 that the item is purchased to be rented subject to a rental
6 purchase agreement, as defined in the Rental Purchase
7 Agreement Act, and provide proof of registration under the
8 Rental Purchase Agreement Occupation and Use Tax Act. This
9 paragraph is exempt from the provisions of Section 3-90.

10 (39) Tangible personal property purchased by a purchaser
11 who is exempt from the tax imposed by this Act by operation of
12 federal law. This paragraph is exempt from the provisions of
13 Section 3-90.

14 (40) Qualified tangible personal property used in the
15 construction or operation of a data center that has been
16 granted a certificate of exemption by the Department of
17 Commerce and Economic Opportunity, whether that tangible
18 personal property is purchased by the owner, operator, or
19 tenant of the data center or by a contractor or subcontractor
20 of the owner, operator, or tenant. Data centers that would
21 have qualified for a certificate of exemption prior to January
22 1, 2020 had Public Act 101-31 been in effect may apply for and
23 obtain an exemption for subsequent purchases of computer
24 equipment or enabling software purchased or leased to upgrade,
25 supplement, or replace computer equipment or enabling software
26 purchased or leased in the original investment that would have

1 qualified.

2 The Department of Commerce and Economic Opportunity shall
3 grant a certificate of exemption under this item (40) to
4 qualified data centers as defined by Section 605-1025 of the
5 Department of Commerce and Economic Opportunity Law of the
6 Civil Administrative Code of Illinois.

7 For the purposes of this item (40):

8 "Data center" means a building or a series of
9 buildings rehabilitated or constructed to house working
10 servers in one physical location or multiple sites within
11 the State of Illinois.

12 "Qualified tangible personal property" means:
13 electrical systems and equipment; climate control and
14 chilling equipment and systems; mechanical systems and
15 equipment; monitoring and secure systems; emergency
16 generators; hardware; computers; servers; data storage
17 devices; network connectivity equipment; racks; cabinets;
18 telecommunications cabling infrastructure; raised floor
19 systems; peripheral components or systems; software;
20 mechanical, electrical, or plumbing systems; battery
21 systems; cooling systems and towers; temperature control
22 systems; other cabling; and other data center
23 infrastructure equipment and systems necessary to operate
24 qualified tangible personal property, including fixtures;
25 and component parts of any of the foregoing, including
26 installation, maintenance, repair, refurbishment, and

1 replacement of qualified tangible personal property to
2 generate, transform, transmit, distribute, or manage
3 electricity necessary to operate qualified tangible
4 personal property; and all other tangible personal
5 property that is essential to the operations of a computer
6 data center. The term "qualified tangible personal
7 property" also includes building materials physically
8 incorporated in to the qualifying data center. To document
9 the exemption allowed under this Section, the retailer
10 must obtain from the purchaser a copy of the certificate
11 of eligibility issued by the Department of Commerce and
12 Economic Opportunity.

13 This item (40) is exempt from the provisions of Section
14 3-90.

15 (41) Beginning July 1, 2022, breast pumps, breast pump
16 collection and storage supplies, and breast pump kits. This
17 item (41) is exempt from the provisions of Section 3-90. As
18 used in this item (41):

19 "Breast pump" means an electrically controlled or
20 manually controlled pump device designed or marketed to be
21 used to express milk from a human breast during lactation,
22 including the pump device and any battery, AC adapter, or
23 other power supply unit that is used to power the pump
24 device and is packaged and sold with the pump device at the
25 time of sale.

26 "Breast pump collection and storage supplies" means

1 items of tangible personal property designed or marketed
2 to be used in conjunction with a breast pump to collect
3 milk expressed from a human breast and to store collected
4 milk until it is ready for consumption.

5 "Breast pump collection and storage supplies"
6 includes, but is not limited to: breast shields and breast
7 shield connectors; breast pump tubes and tubing adapters;
8 breast pump valves and membranes; backflow protectors and
9 backflow protector adaptors; bottles and bottle caps
10 specific to the operation of the breast pump; and breast
11 milk storage bags.

12 "Breast pump collection and storage supplies" does not
13 include: (1) bottles and bottle caps not specific to the
14 operation of the breast pump; (2) breast pump travel bags
15 and other similar carrying accessories, including ice
16 packs, labels, and other similar products; (3) breast pump
17 cleaning supplies; (4) nursing bras, bra pads, breast
18 shells, and other similar products; and (5) creams,
19 ointments, and other similar products that relieve
20 breastfeeding-related symptoms or conditions of the
21 breasts or nipples, unless sold as part of a breast pump
22 kit that is pre-packaged by the breast pump manufacturer
23 or distributor.

24 "Breast pump kit" means a kit that: (1) contains no
25 more than a breast pump, breast pump collection and
26 storage supplies, a rechargeable battery for operating the

1 breast pump, a breastmilk cooler, bottle stands, ice
2 packs, and a breast pump carrying case; and (2) is
3 pre-packaged as a breast pump kit by the breast pump
4 manufacturer or distributor.

5 (Source: P.A. 101-9, eff. 6-5-19; 101-31, eff. 6-28-19;
6 101-81, eff. 7-12-19; 101-629, eff. 2-5-20; 102-16, eff.
7 6-17-21.)

8 Section 70-10. The Service Use Tax Act is amended by
9 changing Section 3-5 as follows:

10 (35 ILCS 110/3-5)

11 Sec. 3-5. Exemptions. Use of the following tangible
12 personal property is exempt from the tax imposed by this Act:

13 (1) Personal property purchased from a corporation,
14 society, association, foundation, institution, or
15 organization, other than a limited liability company, that is
16 organized and operated as a not-for-profit service enterprise
17 for the benefit of persons 65 years of age or older if the
18 personal property was not purchased by the enterprise for the
19 purpose of resale by the enterprise.

20 (2) Personal property purchased by a non-profit Illinois
21 county fair association for use in conducting, operating, or
22 promoting the county fair.

23 (3) Personal property purchased by a not-for-profit arts
24 or cultural organization that establishes, by proof required

1 by the Department by rule, that it has received an exemption
2 under Section 501(c)(3) of the Internal Revenue Code and that
3 is organized and operated primarily for the presentation or
4 support of arts or cultural programming, activities, or
5 services. These organizations include, but are not limited to,
6 music and dramatic arts organizations such as symphony
7 orchestras and theatrical groups, arts and cultural service
8 organizations, local arts councils, visual arts organizations,
9 and media arts organizations. On and after July 1, 2001 (the
10 effective date of Public Act 92-35), however, an entity
11 otherwise eligible for this exemption shall not make tax-free
12 purchases unless it has an active identification number issued
13 by the Department.

14 (4) Legal tender, currency, medallions, or gold or silver
15 coinage issued by the State of Illinois, the government of the
16 United States of America, or the government of any foreign
17 country, and bullion.

18 (5) Until July 1, 2003 and beginning again on September 1,
19 2004 through August 30, 2014, graphic arts machinery and
20 equipment, including repair and replacement parts, both new
21 and used, and including that manufactured on special order or
22 purchased for lease, certified by the purchaser to be used
23 primarily for graphic arts production. Equipment includes
24 chemicals or chemicals acting as catalysts but only if the
25 chemicals or chemicals acting as catalysts effect a direct and
26 immediate change upon a graphic arts product. Beginning on

1 July 1, 2017, graphic arts machinery and equipment is included
2 in the manufacturing and assembling machinery and equipment
3 exemption under Section 2 of this Act.

4 (6) Personal property purchased from a teacher-sponsored
5 student organization affiliated with an elementary or
6 secondary school located in Illinois.

7 (7) Farm machinery and equipment, both new and used,
8 including that manufactured on special order, certified by the
9 purchaser to be used primarily for production agriculture or
10 State or federal agricultural programs, including individual
11 replacement parts for the machinery and equipment, including
12 machinery and equipment purchased for lease, and including
13 implements of husbandry defined in Section 1-130 of the
14 Illinois Vehicle Code, farm machinery and agricultural
15 chemical and fertilizer spreaders, and nurse wagons required
16 to be registered under Section 3-809 of the Illinois Vehicle
17 Code, but excluding other motor vehicles required to be
18 registered under the Illinois Vehicle Code. Horticultural
19 polyhouses or hoop houses used for propagating, growing, or
20 overwintering plants shall be considered farm machinery and
21 equipment under this item (7). Agricultural chemical tender
22 tanks and dry boxes shall include units sold separately from a
23 motor vehicle required to be licensed and units sold mounted
24 on a motor vehicle required to be licensed if the selling price
25 of the tender is separately stated.

26 Farm machinery and equipment shall include precision

1 farming equipment that is installed or purchased to be
2 installed on farm machinery and equipment including, but not
3 limited to, tractors, harvesters, sprayers, planters, seeders,
4 or spreaders. Precision farming equipment includes, but is not
5 limited to, soil testing sensors, computers, monitors,
6 software, global positioning and mapping systems, and other
7 such equipment.

8 Farm machinery and equipment also includes computers,
9 sensors, software, and related equipment used primarily in the
10 computer-assisted operation of production agriculture
11 facilities, equipment, and activities such as, but not limited
12 to, the collection, monitoring, and correlation of animal and
13 crop data for the purpose of formulating animal diets and
14 agricultural chemicals. This item (7) is exempt from the
15 provisions of Section 3-75.

16 (8) Until June 30, 2013, fuel and petroleum products sold
17 to or used by an air common carrier, certified by the carrier
18 to be used for consumption, shipment, or storage in the
19 conduct of its business as an air common carrier, for a flight
20 destined for or returning from a location or locations outside
21 the United States without regard to previous or subsequent
22 domestic stopovers.

23 Beginning July 1, 2013, fuel and petroleum products sold
24 to or used by an air carrier, certified by the carrier to be
25 used for consumption, shipment, or storage in the conduct of
26 its business as an air common carrier, for a flight that (i) is

1 engaged in foreign trade or is engaged in trade between the
2 United States and any of its possessions and (ii) transports
3 at least one individual or package for hire from the city of
4 origination to the city of final destination on the same
5 aircraft, without regard to a change in the flight number of
6 that aircraft.

7 (9) Proceeds of mandatory service charges separately
8 stated on customers' bills for the purchase and consumption of
9 food and beverages acquired as an incident to the purchase of a
10 service from a serviceman, to the extent that the proceeds of
11 the service charge are in fact turned over as tips or as a
12 substitute for tips to the employees who participate directly
13 in preparing, serving, hosting or cleaning up the food or
14 beverage function with respect to which the service charge is
15 imposed.

16 (10) Until July 1, 2003, oil field exploration, drilling,
17 and production equipment, including (i) rigs and parts of
18 rigs, rotary rigs, cable tool rigs, and workover rigs, (ii)
19 pipe and tubular goods, including casing and drill strings,
20 (iii) pumps and pump-jack units, (iv) storage tanks and flow
21 lines, (v) any individual replacement part for oil field
22 exploration, drilling, and production equipment, and (vi)
23 machinery and equipment purchased for lease; but excluding
24 motor vehicles required to be registered under the Illinois
25 Vehicle Code.

26 (11) Proceeds from the sale of photoprocessing machinery

1 and equipment, including repair and replacement parts, both
2 new and used, including that manufactured on special order,
3 certified by the purchaser to be used primarily for
4 photoprocessing, and including photoprocessing machinery and
5 equipment purchased for lease.

6 (12) Until July 1, 2023, coal and aggregate exploration,
7 mining, off-highway hauling, processing, maintenance, and
8 reclamation equipment, including replacement parts and
9 equipment, and including equipment purchased for lease, but
10 excluding motor vehicles required to be registered under the
11 Illinois Vehicle Code. The changes made to this Section by
12 Public Act 97-767 apply on and after July 1, 2003, but no claim
13 for credit or refund is allowed on or after August 16, 2013
14 (the effective date of Public Act 98-456) for such taxes paid
15 during the period beginning July 1, 2003 and ending on August
16 16, 2013 (the effective date of Public Act 98-456).

17 (13) Semen used for artificial insemination of livestock
18 for direct agricultural production.

19 (14) Horses, or interests in horses, registered with and
20 meeting the requirements of any of the Arabian Horse Club
21 Registry of America, Appaloosa Horse Club, American Quarter
22 Horse Association, United States Trotting Association, or
23 Jockey Club, as appropriate, used for purposes of breeding or
24 racing for prizes. This item (14) is exempt from the
25 provisions of Section 3-75, and the exemption provided for
26 under this item (14) applies for all periods beginning May 30,

1 1995, but no claim for credit or refund is allowed on or after
2 January 1, 2008 (the effective date of Public Act 95-88) for
3 such taxes paid during the period beginning May 30, 2000 and
4 ending on January 1, 2008 (the effective date of Public Act
5 95-88).

6 (15) Computers and communications equipment utilized for
7 any hospital purpose and equipment used in the diagnosis,
8 analysis, or treatment of hospital patients purchased by a
9 lessor who leases the equipment, under a lease of one year or
10 longer executed or in effect at the time the lessor would
11 otherwise be subject to the tax imposed by this Act, to a
12 hospital that has been issued an active tax exemption
13 identification number by the Department under Section 1g of
14 the Retailers' Occupation Tax Act. If the equipment is leased
15 in a manner that does not qualify for this exemption or is used
16 in any other non-exempt manner, the lessor shall be liable for
17 the tax imposed under this Act or the Use Tax Act, as the case
18 may be, based on the fair market value of the property at the
19 time the non-qualifying use occurs. No lessor shall collect or
20 attempt to collect an amount (however designated) that
21 purports to reimburse that lessor for the tax imposed by this
22 Act or the Use Tax Act, as the case may be, if the tax has not
23 been paid by the lessor. If a lessor improperly collects any
24 such amount from the lessee, the lessee shall have a legal
25 right to claim a refund of that amount from the lessor. If,
26 however, that amount is not refunded to the lessee for any

1 reason, the lessor is liable to pay that amount to the
2 Department.

3 (16) Personal property purchased by a lessor who leases
4 the property, under a lease of one year or longer executed or
5 in effect at the time the lessor would otherwise be subject to
6 the tax imposed by this Act, to a governmental body that has
7 been issued an active tax exemption identification number by
8 the Department under Section 1g of the Retailers' Occupation
9 Tax Act. If the property is leased in a manner that does not
10 qualify for this exemption or is used in any other non-exempt
11 manner, the lessor shall be liable for the tax imposed under
12 this Act or the Use Tax Act, as the case may be, based on the
13 fair market value of the property at the time the
14 non-qualifying use occurs. No lessor shall collect or attempt
15 to collect an amount (however designated) that purports to
16 reimburse that lessor for the tax imposed by this Act or the
17 Use Tax Act, as the case may be, if the tax has not been paid
18 by the lessor. If a lessor improperly collects any such amount
19 from the lessee, the lessee shall have a legal right to claim a
20 refund of that amount from the lessor. If, however, that
21 amount is not refunded to the lessee for any reason, the lessor
22 is liable to pay that amount to the Department.

23 (17) Beginning with taxable years ending on or after
24 December 31, 1995 and ending with taxable years ending on or
25 before December 31, 2004, personal property that is donated
26 for disaster relief to be used in a State or federally declared

1 disaster area in Illinois or bordering Illinois by a
2 manufacturer or retailer that is registered in this State to a
3 corporation, society, association, foundation, or institution
4 that has been issued a sales tax exemption identification
5 number by the Department that assists victims of the disaster
6 who reside within the declared disaster area.

7 (18) Beginning with taxable years ending on or after
8 December 31, 1995 and ending with taxable years ending on or
9 before December 31, 2004, personal property that is used in
10 the performance of infrastructure repairs in this State,
11 including but not limited to municipal roads and streets,
12 access roads, bridges, sidewalks, waste disposal systems,
13 water and sewer line extensions, water distribution and
14 purification facilities, storm water drainage and retention
15 facilities, and sewage treatment facilities, resulting from a
16 State or federally declared disaster in Illinois or bordering
17 Illinois when such repairs are initiated on facilities located
18 in the declared disaster area within 6 months after the
19 disaster.

20 (19) Beginning July 1, 1999, game or game birds purchased
21 at a "game breeding and hunting preserve area" as that term is
22 used in the Wildlife Code. This paragraph is exempt from the
23 provisions of Section 3-75.

24 (20) A motor vehicle, as that term is defined in Section
25 1-146 of the Illinois Vehicle Code, that is donated to a
26 corporation, limited liability company, society, association,

1 foundation, or institution that is determined by the
2 Department to be organized and operated exclusively for
3 educational purposes. For purposes of this exemption, "a
4 corporation, limited liability company, society, association,
5 foundation, or institution organized and operated exclusively
6 for educational purposes" means all tax-supported public
7 schools, private schools that offer systematic instruction in
8 useful branches of learning by methods common to public
9 schools and that compare favorably in their scope and
10 intensity with the course of study presented in tax-supported
11 schools, and vocational or technical schools or institutes
12 organized and operated exclusively to provide a course of
13 study of not less than 6 weeks duration and designed to prepare
14 individuals to follow a trade or to pursue a manual,
15 technical, mechanical, industrial, business, or commercial
16 occupation.

17 (21) Beginning January 1, 2000, personal property,
18 including food, purchased through fundraising events for the
19 benefit of a public or private elementary or secondary school,
20 a group of those schools, or one or more school districts if
21 the events are sponsored by an entity recognized by the school
22 district that consists primarily of volunteers and includes
23 parents and teachers of the school children. This paragraph
24 does not apply to fundraising events (i) for the benefit of
25 private home instruction or (ii) for which the fundraising
26 entity purchases the personal property sold at the events from

1 another individual or entity that sold the property for the
2 purpose of resale by the fundraising entity and that profits
3 from the sale to the fundraising entity. This paragraph is
4 exempt from the provisions of Section 3-75.

5 (22) Beginning January 1, 2000 and through December 31,
6 2001, new or used automatic vending machines that prepare and
7 serve hot food and beverages, including coffee, soup, and
8 other items, and replacement parts for these machines.
9 Beginning January 1, 2002 and through June 30, 2003, machines
10 and parts for machines used in commercial, coin-operated
11 amusement and vending business if a use or occupation tax is
12 paid on the gross receipts derived from the use of the
13 commercial, coin-operated amusement and vending machines. This
14 paragraph is exempt from the provisions of Section 3-75.

15 (23) Beginning August 23, 2001 and through June 30, 2016,
16 food for human consumption that is to be consumed off the
17 premises where it is sold (other than alcoholic beverages,
18 soft drinks, and food that has been prepared for immediate
19 consumption) and prescription and nonprescription medicines,
20 drugs, medical appliances, and insulin, urine testing
21 materials, syringes, and needles used by diabetics, for human
22 use, when purchased for use by a person receiving medical
23 assistance under Article V of the Illinois Public Aid Code who
24 resides in a licensed long-term care facility, as defined in
25 the Nursing Home Care Act, or in a licensed facility as defined
26 in the ID/DD Community Care Act, the MC/DD Act, or the

1 Specialized Mental Health Rehabilitation Act of 2013.

2 (24) Beginning on August 2, 2001 (the effective date of
3 Public Act 92-227), computers and communications equipment
4 utilized for any hospital purpose and equipment used in the
5 diagnosis, analysis, or treatment of hospital patients
6 purchased by a lessor who leases the equipment, under a lease
7 of one year or longer executed or in effect at the time the
8 lessor would otherwise be subject to the tax imposed by this
9 Act, to a hospital that has been issued an active tax exemption
10 identification number by the Department under Section 1g of
11 the Retailers' Occupation Tax Act. If the equipment is leased
12 in a manner that does not qualify for this exemption or is used
13 in any other nonexempt manner, the lessor shall be liable for
14 the tax imposed under this Act or the Use Tax Act, as the case
15 may be, based on the fair market value of the property at the
16 time the nonqualifying use occurs. No lessor shall collect or
17 attempt to collect an amount (however designated) that
18 purports to reimburse that lessor for the tax imposed by this
19 Act or the Use Tax Act, as the case may be, if the tax has not
20 been paid by the lessor. If a lessor improperly collects any
21 such amount from the lessee, the lessee shall have a legal
22 right to claim a refund of that amount from the lessor. If,
23 however, that amount is not refunded to the lessee for any
24 reason, the lessor is liable to pay that amount to the
25 Department. This paragraph is exempt from the provisions of
26 Section 3-75.

1 (25) Beginning on August 2, 2001 (the effective date of
2 Public Act 92-227), personal property purchased by a lessor
3 who leases the property, under a lease of one year or longer
4 executed or in effect at the time the lessor would otherwise be
5 subject to the tax imposed by this Act, to a governmental body
6 that has been issued an active tax exemption identification
7 number by the Department under Section 1g of the Retailers'
8 Occupation Tax Act. If the property is leased in a manner that
9 does not qualify for this exemption or is used in any other
10 nonexempt manner, the lessor shall be liable for the tax
11 imposed under this Act or the Use Tax Act, as the case may be,
12 based on the fair market value of the property at the time the
13 nonqualifying use occurs. No lessor shall collect or attempt
14 to collect an amount (however designated) that purports to
15 reimburse that lessor for the tax imposed by this Act or the
16 Use Tax Act, as the case may be, if the tax has not been paid
17 by the lessor. If a lessor improperly collects any such amount
18 from the lessee, the lessee shall have a legal right to claim a
19 refund of that amount from the lessor. If, however, that
20 amount is not refunded to the lessee for any reason, the lessor
21 is liable to pay that amount to the Department. This paragraph
22 is exempt from the provisions of Section 3-75.

23 (26) Beginning January 1, 2008, tangible personal property
24 used in the construction or maintenance of a community water
25 supply, as defined under Section 3.145 of the Environmental
26 Protection Act, that is operated by a not-for-profit

1 corporation that holds a valid water supply permit issued
2 under Title IV of the Environmental Protection Act. This
3 paragraph is exempt from the provisions of Section 3-75.

4 (27) Beginning January 1, 2010 and continuing through
5 December 31, 2024, materials, parts, equipment, components,
6 and furnishings incorporated into or upon an aircraft as part
7 of the modification, refurbishment, completion, replacement,
8 repair, or maintenance of the aircraft. This exemption
9 includes consumable supplies used in the modification,
10 refurbishment, completion, replacement, repair, and
11 maintenance of aircraft, but excludes any materials, parts,
12 equipment, components, and consumable supplies used in the
13 modification, replacement, repair, and maintenance of aircraft
14 engines or power plants, whether such engines or power plants
15 are installed or uninstalled upon any such aircraft.
16 "Consumable supplies" include, but are not limited to,
17 adhesive, tape, sandpaper, general purpose lubricants,
18 cleaning solution, latex gloves, and protective films. This
19 exemption applies only to the use of qualifying tangible
20 personal property transferred incident to the modification,
21 refurbishment, completion, replacement, repair, or maintenance
22 of aircraft by persons who (i) hold an Air Agency Certificate
23 and are empowered to operate an approved repair station by the
24 Federal Aviation Administration, (ii) have a Class IV Rating,
25 and (iii) conduct operations in accordance with Part 145 of
26 the Federal Aviation Regulations. The exemption does not

1 include aircraft operated by a commercial air carrier
2 providing scheduled passenger air service pursuant to
3 authority issued under Part 121 or Part 129 of the Federal
4 Aviation Regulations. The changes made to this paragraph (27)
5 by Public Act 98-534 are declarative of existing law. It is the
6 intent of the General Assembly that the exemption under this
7 paragraph (27) applies continuously from January 1, 2010
8 through December 31, 2024; however, no claim for credit or
9 refund is allowed for taxes paid as a result of the
10 disallowance of this exemption on or after January 1, 2015 and
11 prior to the effective date of this amendatory Act of the 101st
12 General Assembly.

13 (28) Tangible personal property purchased by a
14 public-facilities corporation, as described in Section
15 11-65-10 of the Illinois Municipal Code, for purposes of
16 constructing or furnishing a municipal convention hall, but
17 only if the legal title to the municipal convention hall is
18 transferred to the municipality without any further
19 consideration by or on behalf of the municipality at the time
20 of the completion of the municipal convention hall or upon the
21 retirement or redemption of any bonds or other debt
22 instruments issued by the public-facilities corporation in
23 connection with the development of the municipal convention
24 hall. This exemption includes existing public-facilities
25 corporations as provided in Section 11-65-25 of the Illinois
26 Municipal Code. This paragraph is exempt from the provisions

1 of Section 3-75.

2 (29) Beginning January 1, 2017 and through December 31,
3 2026, menstrual pads, tampons, and menstrual cups.

4 (30) Tangible personal property transferred to a purchaser
5 who is exempt from the tax imposed by this Act by operation of
6 federal law. This paragraph is exempt from the provisions of
7 Section 3-75.

8 (31) Qualified tangible personal property used in the
9 construction or operation of a data center that has been
10 granted a certificate of exemption by the Department of
11 Commerce and Economic Opportunity, whether that tangible
12 personal property is purchased by the owner, operator, or
13 tenant of the data center or by a contractor or subcontractor
14 of the owner, operator, or tenant. Data centers that would
15 have qualified for a certificate of exemption prior to January
16 1, 2020 had this amendatory Act of the 101st General Assembly
17 been in effect, may apply for and obtain an exemption for
18 subsequent purchases of computer equipment or enabling
19 software purchased or leased to upgrade, supplement, or
20 replace computer equipment or enabling software purchased or
21 leased in the original investment that would have qualified.

22 The Department of Commerce and Economic Opportunity shall
23 grant a certificate of exemption under this item (31) to
24 qualified data centers as defined by Section 605-1025 of the
25 Department of Commerce and Economic Opportunity Law of the
26 Civil Administrative Code of Illinois.

1 For the purposes of this item (31):

2 "Data center" means a building or a series of
3 buildings rehabilitated or constructed to house working
4 servers in one physical location or multiple sites within
5 the State of Illinois.

6 "Qualified tangible personal property" means:
7 electrical systems and equipment; climate control and
8 chilling equipment and systems; mechanical systems and
9 equipment; monitoring and secure systems; emergency
10 generators; hardware; computers; servers; data storage
11 devices; network connectivity equipment; racks; cabinets;
12 telecommunications cabling infrastructure; raised floor
13 systems; peripheral components or systems; software;
14 mechanical, electrical, or plumbing systems; battery
15 systems; cooling systems and towers; temperature control
16 systems; other cabling; and other data center
17 infrastructure equipment and systems necessary to operate
18 qualified tangible personal property, including fixtures;
19 and component parts of any of the foregoing, including
20 installation, maintenance, repair, refurbishment, and
21 replacement of qualified tangible personal property to
22 generate, transform, transmit, distribute, or manage
23 electricity necessary to operate qualified tangible
24 personal property; and all other tangible personal
25 property that is essential to the operations of a computer
26 data center. The term "qualified tangible personal

1 property" also includes building materials physically
2 incorporated in to the qualifying data center. To document
3 the exemption allowed under this Section, the retailer
4 must obtain from the purchaser a copy of the certificate
5 of eligibility issued by the Department of Commerce and
6 Economic Opportunity.

7 This item (31) is exempt from the provisions of Section
8 3-75.

9 (32) Beginning July 1, 2022, breast pumps, breast pump
10 collection and storage supplies, and breast pump kits. This
11 item (32) is exempt from the provisions of Section 3-75. As
12 used in this item (32):

13 "Breast pump" means an electrically controlled or
14 manually controlled pump device designed or marketed to be
15 used to express milk from a human breast during lactation,
16 including the pump device and any battery, AC adapter, or
17 other power supply unit that is used to power the pump
18 device and is packaged and sold with the pump device at the
19 time of sale.

20 "Breast pump collection and storage supplies" means
21 items of tangible personal property designed or marketed
22 to be used in conjunction with a breast pump to collect
23 milk expressed from a human breast and to store collected
24 milk until it is ready for consumption.

25 "Breast pump collection and storage supplies"
26 includes, but is not limited to: breast shields and breast

1 shield connectors; breast pump tubes and tubing adapters;
2 breast pump valves and membranes; backflow protectors and
3 backflow protector adaptors; bottles and bottle caps
4 specific to the operation of the breast pump; and breast
5 milk storage bags.

6 "Breast pump collection and storage supplies" does not
7 include: (1) bottles and bottle caps not specific to the
8 operation of the breast pump; (2) breast pump travel bags
9 and other similar carrying accessories, including ice
10 packs, labels, and other similar products; (3) breast pump
11 cleaning supplies; (4) nursing bras, bra pads, breast
12 shells, and other similar products; and (5) creams,
13 ointments, and other similar products that relieve
14 breastfeeding-related symptoms or conditions of the
15 breasts or nipples, unless sold as part of a breast pump
16 kit that is pre-packaged by the breast pump manufacturer
17 or distributor.

18 "Breast pump kit" means a kit that: (1) contains no
19 more than a breast pump, breast pump collection and
20 storage supplies, a rechargeable battery for operating the
21 breast pump, a breastmilk cooler, bottle stands, ice
22 packs, and a breast pump carrying case; and (2) is
23 pre-packaged as a breast pump kit by the breast pump
24 manufacturer or distributor.

25 (Source: P.A. 101-31, eff. 6-28-19; 101-81, eff. 7-12-19;
26 101-629, eff. 2-5-20; 102-16, eff. 6-17-21.)

1 Section 70-15. The Service Occupation Tax Act is amended
2 by changing Section 3-5 as follows:

3 (35 ILCS 115/3-5)

4 Sec. 3-5. Exemptions. The following tangible personal
5 property is exempt from the tax imposed by this Act:

6 (1) Personal property sold by a corporation, society,
7 association, foundation, institution, or organization, other
8 than a limited liability company, that is organized and
9 operated as a not-for-profit service enterprise for the
10 benefit of persons 65 years of age or older if the personal
11 property was not purchased by the enterprise for the purpose
12 of resale by the enterprise.

13 (2) Personal property purchased by a not-for-profit
14 Illinois county fair association for use in conducting,
15 operating, or promoting the county fair.

16 (3) Personal property purchased by any not-for-profit arts
17 or cultural organization that establishes, by proof required
18 by the Department by rule, that it has received an exemption
19 under Section 501(c)(3) of the Internal Revenue Code and that
20 is organized and operated primarily for the presentation or
21 support of arts or cultural programming, activities, or
22 services. These organizations include, but are not limited to,
23 music and dramatic arts organizations such as symphony
24 orchestras and theatrical groups, arts and cultural service

1 organizations, local arts councils, visual arts organizations,
2 and media arts organizations. On and after July 1, 2001 (the
3 effective date of Public Act 92-35), however, an entity
4 otherwise eligible for this exemption shall not make tax-free
5 purchases unless it has an active identification number issued
6 by the Department.

7 (4) Legal tender, currency, medallions, or gold or silver
8 coinage issued by the State of Illinois, the government of the
9 United States of America, or the government of any foreign
10 country, and bullion.

11 (5) Until July 1, 2003 and beginning again on September 1,
12 2004 through August 30, 2014, graphic arts machinery and
13 equipment, including repair and replacement parts, both new
14 and used, and including that manufactured on special order or
15 purchased for lease, certified by the purchaser to be used
16 primarily for graphic arts production. Equipment includes
17 chemicals or chemicals acting as catalysts but only if the
18 chemicals or chemicals acting as catalysts effect a direct and
19 immediate change upon a graphic arts product. Beginning on
20 July 1, 2017, graphic arts machinery and equipment is included
21 in the manufacturing and assembling machinery and equipment
22 exemption under Section 2 of this Act.

23 (6) Personal property sold by a teacher-sponsored student
24 organization affiliated with an elementary or secondary school
25 located in Illinois.

26 (7) Farm machinery and equipment, both new and used,

1 including that manufactured on special order, certified by the
2 purchaser to be used primarily for production agriculture or
3 State or federal agricultural programs, including individual
4 replacement parts for the machinery and equipment, including
5 machinery and equipment purchased for lease, and including
6 implements of husbandry defined in Section 1-130 of the
7 Illinois Vehicle Code, farm machinery and agricultural
8 chemical and fertilizer spreaders, and nurse wagons required
9 to be registered under Section 3-809 of the Illinois Vehicle
10 Code, but excluding other motor vehicles required to be
11 registered under the Illinois Vehicle Code. Horticultural
12 polyhouses or hoop houses used for propagating, growing, or
13 overwintering plants shall be considered farm machinery and
14 equipment under this item (7). Agricultural chemical tender
15 tanks and dry boxes shall include units sold separately from a
16 motor vehicle required to be licensed and units sold mounted
17 on a motor vehicle required to be licensed if the selling price
18 of the tender is separately stated.

19 Farm machinery and equipment shall include precision
20 farming equipment that is installed or purchased to be
21 installed on farm machinery and equipment including, but not
22 limited to, tractors, harvesters, sprayers, planters, seeders,
23 or spreaders. Precision farming equipment includes, but is not
24 limited to, soil testing sensors, computers, monitors,
25 software, global positioning and mapping systems, and other
26 such equipment.

1 Farm machinery and equipment also includes computers,
2 sensors, software, and related equipment used primarily in the
3 computer-assisted operation of production agriculture
4 facilities, equipment, and activities such as, but not limited
5 to, the collection, monitoring, and correlation of animal and
6 crop data for the purpose of formulating animal diets and
7 agricultural chemicals. This item (7) is exempt from the
8 provisions of Section 3-55.

9 (8) Until June 30, 2013, fuel and petroleum products sold
10 to or used by an air common carrier, certified by the carrier
11 to be used for consumption, shipment, or storage in the
12 conduct of its business as an air common carrier, for a flight
13 destined for or returning from a location or locations outside
14 the United States without regard to previous or subsequent
15 domestic stopovers.

16 Beginning July 1, 2013, fuel and petroleum products sold
17 to or used by an air carrier, certified by the carrier to be
18 used for consumption, shipment, or storage in the conduct of
19 its business as an air common carrier, for a flight that (i) is
20 engaged in foreign trade or is engaged in trade between the
21 United States and any of its possessions and (ii) transports
22 at least one individual or package for hire from the city of
23 origination to the city of final destination on the same
24 aircraft, without regard to a change in the flight number of
25 that aircraft.

26 (9) Proceeds of mandatory service charges separately

1 stated on customers' bills for the purchase and consumption of
2 food and beverages, to the extent that the proceeds of the
3 service charge are in fact turned over as tips or as a
4 substitute for tips to the employees who participate directly
5 in preparing, serving, hosting or cleaning up the food or
6 beverage function with respect to which the service charge is
7 imposed.

8 (10) Until July 1, 2003, oil field exploration, drilling,
9 and production equipment, including (i) rigs and parts of
10 rigs, rotary rigs, cable tool rigs, and workover rigs, (ii)
11 pipe and tubular goods, including casing and drill strings,
12 (iii) pumps and pump-jack units, (iv) storage tanks and flow
13 lines, (v) any individual replacement part for oil field
14 exploration, drilling, and production equipment, and (vi)
15 machinery and equipment purchased for lease; but excluding
16 motor vehicles required to be registered under the Illinois
17 Vehicle Code.

18 (11) Photoprocessing machinery and equipment, including
19 repair and replacement parts, both new and used, including
20 that manufactured on special order, certified by the purchaser
21 to be used primarily for photoprocessing, and including
22 photoprocessing machinery and equipment purchased for lease.

23 (12) Until July 1, 2023, coal and aggregate exploration,
24 mining, off-highway hauling, processing, maintenance, and
25 reclamation equipment, including replacement parts and
26 equipment, and including equipment purchased for lease, but

1 excluding motor vehicles required to be registered under the
2 Illinois Vehicle Code. The changes made to this Section by
3 Public Act 97-767 apply on and after July 1, 2003, but no claim
4 for credit or refund is allowed on or after August 16, 2013
5 (the effective date of Public Act 98-456) for such taxes paid
6 during the period beginning July 1, 2003 and ending on August
7 16, 2013 (the effective date of Public Act 98-456).

8 (13) Beginning January 1, 1992 and through June 30, 2016,
9 food for human consumption that is to be consumed off the
10 premises where it is sold (other than alcoholic beverages,
11 soft drinks and food that has been prepared for immediate
12 consumption) and prescription and non-prescription medicines,
13 drugs, medical appliances, and insulin, urine testing
14 materials, syringes, and needles used by diabetics, for human
15 use, when purchased for use by a person receiving medical
16 assistance under Article V of the Illinois Public Aid Code who
17 resides in a licensed long-term care facility, as defined in
18 the Nursing Home Care Act, or in a licensed facility as defined
19 in the ID/DD Community Care Act, the MC/DD Act, or the
20 Specialized Mental Health Rehabilitation Act of 2013.

21 (14) Semen used for artificial insemination of livestock
22 for direct agricultural production.

23 (15) Horses, or interests in horses, registered with and
24 meeting the requirements of any of the Arabian Horse Club
25 Registry of America, Appaloosa Horse Club, American Quarter
26 Horse Association, United States Trotting Association, or

1 Jockey Club, as appropriate, used for purposes of breeding or
2 racing for prizes. This item (15) is exempt from the
3 provisions of Section 3-55, and the exemption provided for
4 under this item (15) applies for all periods beginning May 30,
5 1995, but no claim for credit or refund is allowed on or after
6 January 1, 2008 (the effective date of Public Act 95-88) for
7 such taxes paid during the period beginning May 30, 2000 and
8 ending on January 1, 2008 (the effective date of Public Act
9 95-88).

10 (16) Computers and communications equipment utilized for
11 any hospital purpose and equipment used in the diagnosis,
12 analysis, or treatment of hospital patients sold to a lessor
13 who leases the equipment, under a lease of one year or longer
14 executed or in effect at the time of the purchase, to a
15 hospital that has been issued an active tax exemption
16 identification number by the Department under Section 1g of
17 the Retailers' Occupation Tax Act.

18 (17) Personal property sold to a lessor who leases the
19 property, under a lease of one year or longer executed or in
20 effect at the time of the purchase, to a governmental body that
21 has been issued an active tax exemption identification number
22 by the Department under Section 1g of the Retailers'
23 Occupation Tax Act.

24 (18) Beginning with taxable years ending on or after
25 December 31, 1995 and ending with taxable years ending on or
26 before December 31, 2004, personal property that is donated

1 for disaster relief to be used in a State or federally declared
2 disaster area in Illinois or bordering Illinois by a
3 manufacturer or retailer that is registered in this State to a
4 corporation, society, association, foundation, or institution
5 that has been issued a sales tax exemption identification
6 number by the Department that assists victims of the disaster
7 who reside within the declared disaster area.

8 (19) Beginning with taxable years ending on or after
9 December 31, 1995 and ending with taxable years ending on or
10 before December 31, 2004, personal property that is used in
11 the performance of infrastructure repairs in this State,
12 including but not limited to municipal roads and streets,
13 access roads, bridges, sidewalks, waste disposal systems,
14 water and sewer line extensions, water distribution and
15 purification facilities, storm water drainage and retention
16 facilities, and sewage treatment facilities, resulting from a
17 State or federally declared disaster in Illinois or bordering
18 Illinois when such repairs are initiated on facilities located
19 in the declared disaster area within 6 months after the
20 disaster.

21 (20) Beginning July 1, 1999, game or game birds sold at a
22 "game breeding and hunting preserve area" as that term is used
23 in the Wildlife Code. This paragraph is exempt from the
24 provisions of Section 3-55.

25 (21) A motor vehicle, as that term is defined in Section
26 1-146 of the Illinois Vehicle Code, that is donated to a

1 corporation, limited liability company, society, association,
2 foundation, or institution that is determined by the
3 Department to be organized and operated exclusively for
4 educational purposes. For purposes of this exemption, "a
5 corporation, limited liability company, society, association,
6 foundation, or institution organized and operated exclusively
7 for educational purposes" means all tax-supported public
8 schools, private schools that offer systematic instruction in
9 useful branches of learning by methods common to public
10 schools and that compare favorably in their scope and
11 intensity with the course of study presented in tax-supported
12 schools, and vocational or technical schools or institutes
13 organized and operated exclusively to provide a course of
14 study of not less than 6 weeks duration and designed to prepare
15 individuals to follow a trade or to pursue a manual,
16 technical, mechanical, industrial, business, or commercial
17 occupation.

18 (22) Beginning January 1, 2000, personal property,
19 including food, purchased through fundraising events for the
20 benefit of a public or private elementary or secondary school,
21 a group of those schools, or one or more school districts if
22 the events are sponsored by an entity recognized by the school
23 district that consists primarily of volunteers and includes
24 parents and teachers of the school children. This paragraph
25 does not apply to fundraising events (i) for the benefit of
26 private home instruction or (ii) for which the fundraising

1 entity purchases the personal property sold at the events from
2 another individual or entity that sold the property for the
3 purpose of resale by the fundraising entity and that profits
4 from the sale to the fundraising entity. This paragraph is
5 exempt from the provisions of Section 3-55.

6 (23) Beginning January 1, 2000 and through December 31,
7 2001, new or used automatic vending machines that prepare and
8 serve hot food and beverages, including coffee, soup, and
9 other items, and replacement parts for these machines.
10 Beginning January 1, 2002 and through June 30, 2003, machines
11 and parts for machines used in commercial, coin-operated
12 amusement and vending business if a use or occupation tax is
13 paid on the gross receipts derived from the use of the
14 commercial, coin-operated amusement and vending machines. This
15 paragraph is exempt from the provisions of Section 3-55.

16 (24) Beginning on August 2, 2001 (the effective date of
17 Public Act 92-227), computers and communications equipment
18 utilized for any hospital purpose and equipment used in the
19 diagnosis, analysis, or treatment of hospital patients sold to
20 a lessor who leases the equipment, under a lease of one year or
21 longer executed or in effect at the time of the purchase, to a
22 hospital that has been issued an active tax exemption
23 identification number by the Department under Section 1g of
24 the Retailers' Occupation Tax Act. This paragraph is exempt
25 from the provisions of Section 3-55.

26 (25) Beginning on August 2, 2001 (the effective date of

1 Public Act 92-227), personal property sold to a lessor who
2 leases the property, under a lease of one year or longer
3 executed or in effect at the time of the purchase, to a
4 governmental body that has been issued an active tax exemption
5 identification number by the Department under Section 1g of
6 the Retailers' Occupation Tax Act. This paragraph is exempt
7 from the provisions of Section 3-55.

8 (26) Beginning on January 1, 2002 and through June 30,
9 2016, tangible personal property purchased from an Illinois
10 retailer by a taxpayer engaged in centralized purchasing
11 activities in Illinois who will, upon receipt of the property
12 in Illinois, temporarily store the property in Illinois (i)
13 for the purpose of subsequently transporting it outside this
14 State for use or consumption thereafter solely outside this
15 State or (ii) for the purpose of being processed, fabricated,
16 or manufactured into, attached to, or incorporated into other
17 tangible personal property to be transported outside this
18 State and thereafter used or consumed solely outside this
19 State. The Director of Revenue shall, pursuant to rules
20 adopted in accordance with the Illinois Administrative
21 Procedure Act, issue a permit to any taxpayer in good standing
22 with the Department who is eligible for the exemption under
23 this paragraph (26). The permit issued under this paragraph
24 (26) shall authorize the holder, to the extent and in the
25 manner specified in the rules adopted under this Act, to
26 purchase tangible personal property from a retailer exempt

1 from the taxes imposed by this Act. Taxpayers shall maintain
2 all necessary books and records to substantiate the use and
3 consumption of all such tangible personal property outside of
4 the State of Illinois.

5 (27) Beginning January 1, 2008, tangible personal property
6 used in the construction or maintenance of a community water
7 supply, as defined under Section 3.145 of the Environmental
8 Protection Act, that is operated by a not-for-profit
9 corporation that holds a valid water supply permit issued
10 under Title IV of the Environmental Protection Act. This
11 paragraph is exempt from the provisions of Section 3-55.

12 (28) Tangible personal property sold to a
13 public-facilities corporation, as described in Section
14 11-65-10 of the Illinois Municipal Code, for purposes of
15 constructing or furnishing a municipal convention hall, but
16 only if the legal title to the municipal convention hall is
17 transferred to the municipality without any further
18 consideration by or on behalf of the municipality at the time
19 of the completion of the municipal convention hall or upon the
20 retirement or redemption of any bonds or other debt
21 instruments issued by the public-facilities corporation in
22 connection with the development of the municipal convention
23 hall. This exemption includes existing public-facilities
24 corporations as provided in Section 11-65-25 of the Illinois
25 Municipal Code. This paragraph is exempt from the provisions
26 of Section 3-55.

1 (29) Beginning January 1, 2010 and continuing through
2 December 31, 2024, materials, parts, equipment, components,
3 and furnishings incorporated into or upon an aircraft as part
4 of the modification, refurbishment, completion, replacement,
5 repair, or maintenance of the aircraft. This exemption
6 includes consumable supplies used in the modification,
7 refurbishment, completion, replacement, repair, and
8 maintenance of aircraft, but excludes any materials, parts,
9 equipment, components, and consumable supplies used in the
10 modification, replacement, repair, and maintenance of aircraft
11 engines or power plants, whether such engines or power plants
12 are installed or uninstalled upon any such aircraft.
13 "Consumable supplies" include, but are not limited to,
14 adhesive, tape, sandpaper, general purpose lubricants,
15 cleaning solution, latex gloves, and protective films. This
16 exemption applies only to the transfer of qualifying tangible
17 personal property incident to the modification, refurbishment,
18 completion, replacement, repair, or maintenance of an aircraft
19 by persons who (i) hold an Air Agency Certificate and are
20 empowered to operate an approved repair station by the Federal
21 Aviation Administration, (ii) have a Class IV Rating, and
22 (iii) conduct operations in accordance with Part 145 of the
23 Federal Aviation Regulations. The exemption does not include
24 aircraft operated by a commercial air carrier providing
25 scheduled passenger air service pursuant to authority issued
26 under Part 121 or Part 129 of the Federal Aviation

1 Regulations. The changes made to this paragraph (29) by Public
2 Act 98-534 are declarative of existing law. It is the intent of
3 the General Assembly that the exemption under this paragraph
4 (29) applies continuously from January 1, 2010 through
5 December 31, 2024; however, no claim for credit or refund is
6 allowed for taxes paid as a result of the disallowance of this
7 exemption on or after January 1, 2015 and prior to the
8 effective date of this amendatory Act of the 101st General
9 Assembly.

10 (30) Beginning January 1, 2017 and through December 31,
11 2026, menstrual pads, tampons, and menstrual cups.

12 (31) Tangible personal property transferred to a purchaser
13 who is exempt from tax by operation of federal law. This
14 paragraph is exempt from the provisions of Section 3-55.

15 (32) Qualified tangible personal property used in the
16 construction or operation of a data center that has been
17 granted a certificate of exemption by the Department of
18 Commerce and Economic Opportunity, whether that tangible
19 personal property is purchased by the owner, operator, or
20 tenant of the data center or by a contractor or subcontractor
21 of the owner, operator, or tenant. Data centers that would
22 have qualified for a certificate of exemption prior to January
23 1, 2020 had this amendatory Act of the 101st General Assembly
24 been in effect, may apply for and obtain an exemption for
25 subsequent purchases of computer equipment or enabling
26 software purchased or leased to upgrade, supplement, or

1 replace computer equipment or enabling software purchased or
2 leased in the original investment that would have qualified.

3 The Department of Commerce and Economic Opportunity shall
4 grant a certificate of exemption under this item (32) to
5 qualified data centers as defined by Section 605-1025 of the
6 Department of Commerce and Economic Opportunity Law of the
7 Civil Administrative Code of Illinois.

8 For the purposes of this item (32):

9 "Data center" means a building or a series of
10 buildings rehabilitated or constructed to house working
11 servers in one physical location or multiple sites within
12 the State of Illinois.

13 "Qualified tangible personal property" means:
14 electrical systems and equipment; climate control and
15 chilling equipment and systems; mechanical systems and
16 equipment; monitoring and secure systems; emergency
17 generators; hardware; computers; servers; data storage
18 devices; network connectivity equipment; racks; cabinets;
19 telecommunications cabling infrastructure; raised floor
20 systems; peripheral components or systems; software;
21 mechanical, electrical, or plumbing systems; battery
22 systems; cooling systems and towers; temperature control
23 systems; other cabling; and other data center
24 infrastructure equipment and systems necessary to operate
25 qualified tangible personal property, including fixtures;
26 and component parts of any of the foregoing, including

1 installation, maintenance, repair, refurbishment, and
2 replacement of qualified tangible personal property to
3 generate, transform, transmit, distribute, or manage
4 electricity necessary to operate qualified tangible
5 personal property; and all other tangible personal
6 property that is essential to the operations of a computer
7 data center. The term "qualified tangible personal
8 property" also includes building materials physically
9 incorporated in to the qualifying data center. To document
10 the exemption allowed under this Section, the retailer
11 must obtain from the purchaser a copy of the certificate
12 of eligibility issued by the Department of Commerce and
13 Economic Opportunity.

14 This item (32) is exempt from the provisions of Section
15 3-55.

16 (33) Beginning July 1, 2022, breast pumps, breast pump
17 collection and storage supplies, and breast pump kits. This
18 item (33) is exempt from the provisions of Section 3-55. As
19 used in this item (33):

20 "Breast pump" means an electrically controlled or
21 manually controlled pump device designed or marketed to be
22 used to express milk from a human breast during lactation,
23 including the pump device and any battery, AC adapter, or
24 other power supply unit that is used to power the pump
25 device and is packaged and sold with the pump device at the
26 time of sale.

1 "Breast pump collection and storage supplies" means
2 items of tangible personal property designed or marketed
3 to be used in conjunction with a breast pump to collect
4 milk expressed from a human breast and to store collected
5 milk until it is ready for consumption.

6 "Breast pump collection and storage supplies"
7 includes, but is not limited to: breast shields and breast
8 shield connectors; breast pump tubes and tubing adapters;
9 breast pump valves and membranes; backflow protectors and
10 backflow protector adaptors; bottles and bottle caps
11 specific to the operation of the breast pump; and breast
12 milk storage bags.

13 "Breast pump collection and storage supplies" does not
14 include: (1) bottles and bottle caps not specific to the
15 operation of the breast pump; (2) breast pump travel bags
16 and other similar carrying accessories, including ice
17 packs, labels, and other similar products; (3) breast pump
18 cleaning supplies; (4) nursing bras, bra pads, breast
19 shells, and other similar products; and (5) creams,
20 ointments, and other similar products that relieve
21 breastfeeding-related symptoms or conditions of the
22 breasts or nipples, unless sold as part of a breast pump
23 kit that is pre-packaged by the breast pump manufacturer
24 or distributor.

25 "Breast pump kit" means a kit that: (1) contains no
26 more than a breast pump, breast pump collection and

1 storage supplies, a rechargeable battery for operating the
2 breast pump, a breastmilk cooler, bottle stands, ice
3 packs, and a breast pump carrying case; and (2) is
4 pre-packaged as a breast pump kit by the breast pump
5 manufacturer or distributor.

6 (Source: P.A. 101-31, eff. 6-28-19; 101-81, eff. 7-12-19;
7 101-629, eff. 2-5-20; 102-16, eff. 6-17-21.)

8 Section 70-20. The Retailers' Occupation Tax Act is
9 amended by changing Section 2-5 as follows:

10 (35 ILCS 120/2-5)

11 Sec. 2-5. Exemptions. Gross receipts from proceeds from
12 the sale of the following tangible personal property are
13 exempt from the tax imposed by this Act:

14 (1) Farm chemicals.

15 (2) Farm machinery and equipment, both new and used,
16 including that manufactured on special order, certified by
17 the purchaser to be used primarily for production
18 agriculture or State or federal agricultural programs,
19 including individual replacement parts for the machinery
20 and equipment, including machinery and equipment purchased
21 for lease, and including implements of husbandry defined
22 in Section 1-130 of the Illinois Vehicle Code, farm
23 machinery and agricultural chemical and fertilizer
24 spreaders, and nurse wagons required to be registered

1 under Section 3-809 of the Illinois Vehicle Code, but
2 excluding other motor vehicles required to be registered
3 under the Illinois Vehicle Code. Horticultural polyhouses
4 or hoop houses used for propagating, growing, or
5 overwintering plants shall be considered farm machinery
6 and equipment under this item (2). Agricultural chemical
7 tender tanks and dry boxes shall include units sold
8 separately from a motor vehicle required to be licensed
9 and units sold mounted on a motor vehicle required to be
10 licensed, if the selling price of the tender is separately
11 stated.

12 Farm machinery and equipment shall include precision
13 farming equipment that is installed or purchased to be
14 installed on farm machinery and equipment including, but
15 not limited to, tractors, harvesters, sprayers, planters,
16 seeders, or spreaders. Precision farming equipment
17 includes, but is not limited to, soil testing sensors,
18 computers, monitors, software, global positioning and
19 mapping systems, and other such equipment.

20 Farm machinery and equipment also includes computers,
21 sensors, software, and related equipment used primarily in
22 the computer-assisted operation of production agriculture
23 facilities, equipment, and activities such as, but not
24 limited to, the collection, monitoring, and correlation of
25 animal and crop data for the purpose of formulating animal
26 diets and agricultural chemicals. This item (2) is exempt

1 from the provisions of Section 2-70.

2 (3) Until July 1, 2003, distillation machinery and
3 equipment, sold as a unit or kit, assembled or installed
4 by the retailer, certified by the user to be used only for
5 the production of ethyl alcohol that will be used for
6 consumption as motor fuel or as a component of motor fuel
7 for the personal use of the user, and not subject to sale
8 or resale.

9 (4) Until July 1, 2003 and beginning again September
10 1, 2004 through August 30, 2014, graphic arts machinery
11 and equipment, including repair and replacement parts,
12 both new and used, and including that manufactured on
13 special order or purchased for lease, certified by the
14 purchaser to be used primarily for graphic arts
15 production. Equipment includes chemicals or chemicals
16 acting as catalysts but only if the chemicals or chemicals
17 acting as catalysts effect a direct and immediate change
18 upon a graphic arts product. Beginning on July 1, 2017,
19 graphic arts machinery and equipment is included in the
20 manufacturing and assembling machinery and equipment
21 exemption under paragraph (14).

22 (5) A motor vehicle that is used for automobile
23 renting, as defined in the Automobile Renting Occupation
24 and Use Tax Act. This paragraph is exempt from the
25 provisions of Section 2-70.

26 (6) Personal property sold by a teacher-sponsored

1 student organization affiliated with an elementary or
2 secondary school located in Illinois.

3 (7) Until July 1, 2003, proceeds of that portion of
4 the selling price of a passenger car the sale of which is
5 subject to the Replacement Vehicle Tax.

6 (8) Personal property sold to an Illinois county fair
7 association for use in conducting, operating, or promoting
8 the county fair.

9 (9) Personal property sold to a not-for-profit arts or
10 cultural organization that establishes, by proof required
11 by the Department by rule, that it has received an
12 exemption under Section 501(c)(3) of the Internal Revenue
13 Code and that is organized and operated primarily for the
14 presentation or support of arts or cultural programming,
15 activities, or services. These organizations include, but
16 are not limited to, music and dramatic arts organizations
17 such as symphony orchestras and theatrical groups, arts
18 and cultural service organizations, local arts councils,
19 visual arts organizations, and media arts organizations.
20 On and after July 1, 2001 (the effective date of Public Act
21 92-35), however, an entity otherwise eligible for this
22 exemption shall not make tax-free purchases unless it has
23 an active identification number issued by the Department.

24 (10) Personal property sold by a corporation, society,
25 association, foundation, institution, or organization,
26 other than a limited liability company, that is organized

1 and operated as a not-for-profit service enterprise for
2 the benefit of persons 65 years of age or older if the
3 personal property was not purchased by the enterprise for
4 the purpose of resale by the enterprise.

5 (11) Personal property sold to a governmental body, to
6 a corporation, society, association, foundation, or
7 institution organized and operated exclusively for
8 charitable, religious, or educational purposes, or to a
9 not-for-profit corporation, society, association,
10 foundation, institution, or organization that has no
11 compensated officers or employees and that is organized
12 and operated primarily for the recreation of persons 55
13 years of age or older. A limited liability company may
14 qualify for the exemption under this paragraph only if the
15 limited liability company is organized and operated
16 exclusively for educational purposes. On and after July 1,
17 1987, however, no entity otherwise eligible for this
18 exemption shall make tax-free purchases unless it has an
19 active identification number issued by the Department.

20 (12) (Blank).

21 (12-5) On and after July 1, 2003 and through June 30,
22 2004, motor vehicles of the second division with a gross
23 vehicle weight in excess of 8,000 pounds that are subject
24 to the commercial distribution fee imposed under Section
25 3-815.1 of the Illinois Vehicle Code. Beginning on July 1,
26 2004 and through June 30, 2005, the use in this State of

1 motor vehicles of the second division: (i) with a gross
2 vehicle weight rating in excess of 8,000 pounds; (ii) that
3 are subject to the commercial distribution fee imposed
4 under Section 3-815.1 of the Illinois Vehicle Code; and
5 (iii) that are primarily used for commercial purposes.
6 Through June 30, 2005, this exemption applies to repair
7 and replacement parts added after the initial purchase of
8 such a motor vehicle if that motor vehicle is used in a
9 manner that would qualify for the rolling stock exemption
10 otherwise provided for in this Act. For purposes of this
11 paragraph, "used for commercial purposes" means the
12 transportation of persons or property in furtherance of
13 any commercial or industrial enterprise whether for-hire
14 or not.

15 (13) Proceeds from sales to owners, lessors, or
16 shippers of tangible personal property that is utilized by
17 interstate carriers for hire for use as rolling stock
18 moving in interstate commerce and equipment operated by a
19 telecommunications provider, licensed as a common carrier
20 by the Federal Communications Commission, which is
21 permanently installed in or affixed to aircraft moving in
22 interstate commerce.

23 (14) Machinery and equipment that will be used by the
24 purchaser, or a lessee of the purchaser, primarily in the
25 process of manufacturing or assembling tangible personal
26 property for wholesale or retail sale or lease, whether

1 the sale or lease is made directly by the manufacturer or
2 by some other person, whether the materials used in the
3 process are owned by the manufacturer or some other
4 person, or whether the sale or lease is made apart from or
5 as an incident to the seller's engaging in the service
6 occupation of producing machines, tools, dies, jigs,
7 patterns, gauges, or other similar items of no commercial
8 value on special order for a particular purchaser. The
9 exemption provided by this paragraph (14) does not include
10 machinery and equipment used in (i) the generation of
11 electricity for wholesale or retail sale; (ii) the
12 generation or treatment of natural or artificial gas for
13 wholesale or retail sale that is delivered to customers
14 through pipes, pipelines, or mains; or (iii) the treatment
15 of water for wholesale or retail sale that is delivered to
16 customers through pipes, pipelines, or mains. The
17 provisions of Public Act 98-583 are declaratory of
18 existing law as to the meaning and scope of this
19 exemption. Beginning on July 1, 2017, the exemption
20 provided by this paragraph (14) includes, but is not
21 limited to, graphic arts machinery and equipment, as
22 defined in paragraph (4) of this Section.

23 (15) Proceeds of mandatory service charges separately
24 stated on customers' bills for purchase and consumption of
25 food and beverages, to the extent that the proceeds of the
26 service charge are in fact turned over as tips or as a

1 substitute for tips to the employees who participate
2 directly in preparing, serving, hosting or cleaning up the
3 food or beverage function with respect to which the
4 service charge is imposed.

5 (16) Tangible personal property sold to a purchaser if
6 the purchaser is exempt from use tax by operation of
7 federal law. This paragraph is exempt from the provisions
8 of Section 2-70.

9 (17) Tangible personal property sold to a common
10 carrier by rail or motor that receives the physical
11 possession of the property in Illinois and that transports
12 the property, or shares with another common carrier in the
13 transportation of the property, out of Illinois on a
14 standard uniform bill of lading showing the seller of the
15 property as the shipper or consignor of the property to a
16 destination outside Illinois, for use outside Illinois.

17 (18) Legal tender, currency, medallions, or gold or
18 silver coinage issued by the State of Illinois, the
19 government of the United States of America, or the
20 government of any foreign country, and bullion.

21 (19) Until July 1, 2003, oil field exploration,
22 drilling, and production equipment, including (i) rigs and
23 parts of rigs, rotary rigs, cable tool rigs, and workover
24 rigs, (ii) pipe and tubular goods, including casing and
25 drill strings, (iii) pumps and pump-jack units, (iv)
26 storage tanks and flow lines, (v) any individual

1 replacement part for oil field exploration, drilling, and
2 production equipment, and (vi) machinery and equipment
3 purchased for lease; but excluding motor vehicles required
4 to be registered under the Illinois Vehicle Code.

5 (20) Photoprocessing machinery and equipment,
6 including repair and replacement parts, both new and used,
7 including that manufactured on special order, certified by
8 the purchaser to be used primarily for photoprocessing,
9 and including photoprocessing machinery and equipment
10 purchased for lease.

11 (21) Until July 1, 2023, coal and aggregate
12 exploration, mining, off-highway hauling, processing,
13 maintenance, and reclamation equipment, including
14 replacement parts and equipment, and including equipment
15 purchased for lease, but excluding motor vehicles required
16 to be registered under the Illinois Vehicle Code. The
17 changes made to this Section by Public Act 97-767 apply on
18 and after July 1, 2003, but no claim for credit or refund
19 is allowed on or after August 16, 2013 (the effective date
20 of Public Act 98-456) for such taxes paid during the
21 period beginning July 1, 2003 and ending on August 16,
22 2013 (the effective date of Public Act 98-456).

23 (22) Until June 30, 2013, fuel and petroleum products
24 sold to or used by an air carrier, certified by the carrier
25 to be used for consumption, shipment, or storage in the
26 conduct of its business as an air common carrier, for a

1 flight destined for or returning from a location or
2 locations outside the United States without regard to
3 previous or subsequent domestic stopovers.

4 Beginning July 1, 2013, fuel and petroleum products
5 sold to or used by an air carrier, certified by the carrier
6 to be used for consumption, shipment, or storage in the
7 conduct of its business as an air common carrier, for a
8 flight that (i) is engaged in foreign trade or is engaged
9 in trade between the United States and any of its
10 possessions and (ii) transports at least one individual or
11 package for hire from the city of origination to the city
12 of final destination on the same aircraft, without regard
13 to a change in the flight number of that aircraft.

14 (23) A transaction in which the purchase order is
15 received by a florist who is located outside Illinois, but
16 who has a florist located in Illinois deliver the property
17 to the purchaser or the purchaser's donee in Illinois.

18 (24) Fuel consumed or used in the operation of ships,
19 barges, or vessels that are used primarily in or for the
20 transportation of property or the conveyance of persons
21 for hire on rivers bordering on this State if the fuel is
22 delivered by the seller to the purchaser's barge, ship, or
23 vessel while it is afloat upon that bordering river.

24 (25) Except as provided in item (25-5) of this
25 Section, a motor vehicle sold in this State to a
26 nonresident even though the motor vehicle is delivered to

1 the nonresident in this State, if the motor vehicle is not
2 to be titled in this State, and if a drive-away permit is
3 issued to the motor vehicle as provided in Section 3-603
4 of the Illinois Vehicle Code or if the nonresident
5 purchaser has vehicle registration plates to transfer to
6 the motor vehicle upon returning to his or her home state.
7 The issuance of the drive-away permit or having the
8 out-of-state registration plates to be transferred is
9 prima facie evidence that the motor vehicle will not be
10 titled in this State.

11 (25-5) The exemption under item (25) does not apply if
12 the state in which the motor vehicle will be titled does
13 not allow a reciprocal exemption for a motor vehicle sold
14 and delivered in that state to an Illinois resident but
15 titled in Illinois. The tax collected under this Act on
16 the sale of a motor vehicle in this State to a resident of
17 another state that does not allow a reciprocal exemption
18 shall be imposed at a rate equal to the state's rate of tax
19 on taxable property in the state in which the purchaser is
20 a resident, except that the tax shall not exceed the tax
21 that would otherwise be imposed under this Act. At the
22 time of the sale, the purchaser shall execute a statement,
23 signed under penalty of perjury, of his or her intent to
24 title the vehicle in the state in which the purchaser is a
25 resident within 30 days after the sale and of the fact of
26 the payment to the State of Illinois of tax in an amount

1 equivalent to the state's rate of tax on taxable property
2 in his or her state of residence and shall submit the
3 statement to the appropriate tax collection agency in his
4 or her state of residence. In addition, the retailer must
5 retain a signed copy of the statement in his or her
6 records. Nothing in this item shall be construed to
7 require the removal of the vehicle from this state
8 following the filing of an intent to title the vehicle in
9 the purchaser's state of residence if the purchaser titles
10 the vehicle in his or her state of residence within 30 days
11 after the date of sale. The tax collected under this Act in
12 accordance with this item (25-5) shall be proportionately
13 distributed as if the tax were collected at the 6.25%
14 general rate imposed under this Act.

15 (25-7) Beginning on July 1, 2007, no tax is imposed
16 under this Act on the sale of an aircraft, as defined in
17 Section 3 of the Illinois Aeronautics Act, if all of the
18 following conditions are met:

19 (1) the aircraft leaves this State within 15 days
20 after the later of either the issuance of the final
21 billing for the sale of the aircraft, or the
22 authorized approval for return to service, completion
23 of the maintenance record entry, and completion of the
24 test flight and ground test for inspection, as
25 required by 14 C.F.R. 91.407;

26 (2) the aircraft is not based or registered in

1 this State after the sale of the aircraft; and

2 (3) the seller retains in his or her books and
3 records and provides to the Department a signed and
4 dated certification from the purchaser, on a form
5 prescribed by the Department, certifying that the
6 requirements of this item (25-7) are met. The
7 certificate must also include the name and address of
8 the purchaser, the address of the location where the
9 aircraft is to be titled or registered, the address of
10 the primary physical location of the aircraft, and
11 other information that the Department may reasonably
12 require.

13 For purposes of this item (25-7):

14 "Based in this State" means hangared, stored, or
15 otherwise used, excluding post-sale customizations as
16 defined in this Section, for 10 or more days in each
17 12-month period immediately following the date of the sale
18 of the aircraft.

19 "Registered in this State" means an aircraft
20 registered with the Department of Transportation,
21 Aeronautics Division, or titled or registered with the
22 Federal Aviation Administration to an address located in
23 this State.

24 This paragraph (25-7) is exempt from the provisions of
25 Section 2-70.

26 (26) Semen used for artificial insemination of

1 livestock for direct agricultural production.

2 (27) Horses, or interests in horses, registered with
3 and meeting the requirements of any of the Arabian Horse
4 Club Registry of America, Appaloosa Horse Club, American
5 Quarter Horse Association, United States Trotting
6 Association, or Jockey Club, as appropriate, used for
7 purposes of breeding or racing for prizes. This item (27)
8 is exempt from the provisions of Section 2-70, and the
9 exemption provided for under this item (27) applies for
10 all periods beginning May 30, 1995, but no claim for
11 credit or refund is allowed on or after January 1, 2008
12 (the effective date of Public Act 95-88) for such taxes
13 paid during the period beginning May 30, 2000 and ending
14 on January 1, 2008 (the effective date of Public Act
15 95-88).

16 (28) Computers and communications equipment utilized
17 for any hospital purpose and equipment used in the
18 diagnosis, analysis, or treatment of hospital patients
19 sold to a lessor who leases the equipment, under a lease of
20 one year or longer executed or in effect at the time of the
21 purchase, to a hospital that has been issued an active tax
22 exemption identification number by the Department under
23 Section 1g of this Act.

24 (29) Personal property sold to a lessor who leases the
25 property, under a lease of one year or longer executed or
26 in effect at the time of the purchase, to a governmental

1 body that has been issued an active tax exemption
2 identification number by the Department under Section 1g
3 of this Act.

4 (30) Beginning with taxable years ending on or after
5 December 31, 1995 and ending with taxable years ending on
6 or before December 31, 2004, personal property that is
7 donated for disaster relief to be used in a State or
8 federally declared disaster area in Illinois or bordering
9 Illinois by a manufacturer or retailer that is registered
10 in this State to a corporation, society, association,
11 foundation, or institution that has been issued a sales
12 tax exemption identification number by the Department that
13 assists victims of the disaster who reside within the
14 declared disaster area.

15 (31) Beginning with taxable years ending on or after
16 December 31, 1995 and ending with taxable years ending on
17 or before December 31, 2004, personal property that is
18 used in the performance of infrastructure repairs in this
19 State, including but not limited to municipal roads and
20 streets, access roads, bridges, sidewalks, waste disposal
21 systems, water and sewer line extensions, water
22 distribution and purification facilities, storm water
23 drainage and retention facilities, and sewage treatment
24 facilities, resulting from a State or federally declared
25 disaster in Illinois or bordering Illinois when such
26 repairs are initiated on facilities located in the

1 declared disaster area within 6 months after the disaster.

2 (32) Beginning July 1, 1999, game or game birds sold
3 at a "game breeding and hunting preserve area" as that
4 term is used in the Wildlife Code. This paragraph is
5 exempt from the provisions of Section 2-70.

6 (33) A motor vehicle, as that term is defined in
7 Section 1-146 of the Illinois Vehicle Code, that is
8 donated to a corporation, limited liability company,
9 society, association, foundation, or institution that is
10 determined by the Department to be organized and operated
11 exclusively for educational purposes. For purposes of this
12 exemption, "a corporation, limited liability company,
13 society, association, foundation, or institution organized
14 and operated exclusively for educational purposes" means
15 all tax-supported public schools, private schools that
16 offer systematic instruction in useful branches of
17 learning by methods common to public schools and that
18 compare favorably in their scope and intensity with the
19 course of study presented in tax-supported schools, and
20 vocational or technical schools or institutes organized
21 and operated exclusively to provide a course of study of
22 not less than 6 weeks duration and designed to prepare
23 individuals to follow a trade or to pursue a manual,
24 technical, mechanical, industrial, business, or commercial
25 occupation.

26 (34) Beginning January 1, 2000, personal property,

1 including food, purchased through fundraising events for
2 the benefit of a public or private elementary or secondary
3 school, a group of those schools, or one or more school
4 districts if the events are sponsored by an entity
5 recognized by the school district that consists primarily
6 of volunteers and includes parents and teachers of the
7 school children. This paragraph does not apply to
8 fundraising events (i) for the benefit of private home
9 instruction or (ii) for which the fundraising entity
10 purchases the personal property sold at the events from
11 another individual or entity that sold the property for
12 the purpose of resale by the fundraising entity and that
13 profits from the sale to the fundraising entity. This
14 paragraph is exempt from the provisions of Section 2-70.

15 (35) Beginning January 1, 2000 and through December
16 31, 2001, new or used automatic vending machines that
17 prepare and serve hot food and beverages, including
18 coffee, soup, and other items, and replacement parts for
19 these machines. Beginning January 1, 2002 and through June
20 30, 2003, machines and parts for machines used in
21 commercial, coin-operated amusement and vending business
22 if a use or occupation tax is paid on the gross receipts
23 derived from the use of the commercial, coin-operated
24 amusement and vending machines. This paragraph is exempt
25 from the provisions of Section 2-70.

26 (35-5) Beginning August 23, 2001 and through June 30,

1 2016, food for human consumption that is to be consumed
2 off the premises where it is sold (other than alcoholic
3 beverages, soft drinks, and food that has been prepared
4 for immediate consumption) and prescription and
5 nonprescription medicines, drugs, medical appliances, and
6 insulin, urine testing materials, syringes, and needles
7 used by diabetics, for human use, when purchased for use
8 by a person receiving medical assistance under Article V
9 of the Illinois Public Aid Code who resides in a licensed
10 long-term care facility, as defined in the Nursing Home
11 Care Act, or a licensed facility as defined in the ID/DD
12 Community Care Act, the MC/DD Act, or the Specialized
13 Mental Health Rehabilitation Act of 2013.

14 (36) Beginning August 2, 2001, computers and
15 communications equipment utilized for any hospital purpose
16 and equipment used in the diagnosis, analysis, or
17 treatment of hospital patients sold to a lessor who leases
18 the equipment, under a lease of one year or longer
19 executed or in effect at the time of the purchase, to a
20 hospital that has been issued an active tax exemption
21 identification number by the Department under Section 1g
22 of this Act. This paragraph is exempt from the provisions
23 of Section 2-70.

24 (37) Beginning August 2, 2001, personal property sold
25 to a lessor who leases the property, under a lease of one
26 year or longer executed or in effect at the time of the

1 purchase, to a governmental body that has been issued an
2 active tax exemption identification number by the
3 Department under Section 1g of this Act. This paragraph is
4 exempt from the provisions of Section 2-70.

5 (38) Beginning on January 1, 2002 and through June 30,
6 2016, tangible personal property purchased from an
7 Illinois retailer by a taxpayer engaged in centralized
8 purchasing activities in Illinois who will, upon receipt
9 of the property in Illinois, temporarily store the
10 property in Illinois (i) for the purpose of subsequently
11 transporting it outside this State for use or consumption
12 thereafter solely outside this State or (ii) for the
13 purpose of being processed, fabricated, or manufactured
14 into, attached to, or incorporated into other tangible
15 personal property to be transported outside this State and
16 thereafter used or consumed solely outside this State. The
17 Director of Revenue shall, pursuant to rules adopted in
18 accordance with the Illinois Administrative Procedure Act,
19 issue a permit to any taxpayer in good standing with the
20 Department who is eligible for the exemption under this
21 paragraph (38). The permit issued under this paragraph
22 (38) shall authorize the holder, to the extent and in the
23 manner specified in the rules adopted under this Act, to
24 purchase tangible personal property from a retailer exempt
25 from the taxes imposed by this Act. Taxpayers shall
26 maintain all necessary books and records to substantiate

1 the use and consumption of all such tangible personal
2 property outside of the State of Illinois.

3 (39) Beginning January 1, 2008, tangible personal
4 property used in the construction or maintenance of a
5 community water supply, as defined under Section 3.145 of
6 the Environmental Protection Act, that is operated by a
7 not-for-profit corporation that holds a valid water supply
8 permit issued under Title IV of the Environmental
9 Protection Act. This paragraph is exempt from the
10 provisions of Section 2-70.

11 (40) Beginning January 1, 2010 and continuing through
12 December 31, 2024, materials, parts, equipment,
13 components, and furnishings incorporated into or upon an
14 aircraft as part of the modification, refurbishment,
15 completion, replacement, repair, or maintenance of the
16 aircraft. This exemption includes consumable supplies used
17 in the modification, refurbishment, completion,
18 replacement, repair, and maintenance of aircraft, but
19 excludes any materials, parts, equipment, components, and
20 consumable supplies used in the modification, replacement,
21 repair, and maintenance of aircraft engines or power
22 plants, whether such engines or power plants are installed
23 or uninstalled upon any such aircraft. "Consumable
24 supplies" include, but are not limited to, adhesive, tape,
25 sandpaper, general purpose lubricants, cleaning solution,
26 latex gloves, and protective films. This exemption applies

1 only to the sale of qualifying tangible personal property
2 to persons who modify, refurbish, complete, replace, or
3 maintain an aircraft and who (i) hold an Air Agency
4 Certificate and are empowered to operate an approved
5 repair station by the Federal Aviation Administration,
6 (ii) have a Class IV Rating, and (iii) conduct operations
7 in accordance with Part 145 of the Federal Aviation
8 Regulations. The exemption does not include aircraft
9 operated by a commercial air carrier providing scheduled
10 passenger air service pursuant to authority issued under
11 Part 121 or Part 129 of the Federal Aviation Regulations.
12 The changes made to this paragraph (40) by Public Act
13 98-534 are declarative of existing law. It is the intent
14 of the General Assembly that the exemption under this
15 paragraph (40) applies continuously from January 1, 2010
16 through December 31, 2024; however, no claim for credit or
17 refund is allowed for taxes paid as a result of the
18 disallowance of this exemption on or after January 1, 2015
19 and prior to the effective date of this amendatory Act of
20 the 101st General Assembly.

21 (41) Tangible personal property sold to a
22 public-facilities corporation, as described in Section
23 11-65-10 of the Illinois Municipal Code, for purposes of
24 constructing or furnishing a municipal convention hall,
25 but only if the legal title to the municipal convention
26 hall is transferred to the municipality without any

1 further consideration by or on behalf of the municipality
2 at the time of the completion of the municipal convention
3 hall or upon the retirement or redemption of any bonds or
4 other debt instruments issued by the public-facilities
5 corporation in connection with the development of the
6 municipal convention hall. This exemption includes
7 existing public-facilities corporations as provided in
8 Section 11-65-25 of the Illinois Municipal Code. This
9 paragraph is exempt from the provisions of Section 2-70.

10 (42) Beginning January 1, 2017 and through December
11 31, 2026, menstrual pads, tampons, and menstrual cups.

12 (43) Merchandise that is subject to the Rental
13 Purchase Agreement Occupation and Use Tax. The purchaser
14 must certify that the item is purchased to be rented
15 subject to a rental purchase agreement, as defined in the
16 Rental Purchase Agreement Act, and provide proof of
17 registration under the Rental Purchase Agreement
18 Occupation and Use Tax Act. This paragraph is exempt from
19 the provisions of Section 2-70.

20 (44) Qualified tangible personal property used in the
21 construction or operation of a data center that has been
22 granted a certificate of exemption by the Department of
23 Commerce and Economic Opportunity, whether that tangible
24 personal property is purchased by the owner, operator, or
25 tenant of the data center or by a contractor or
26 subcontractor of the owner, operator, or tenant. Data

1 centers that would have qualified for a certificate of
2 exemption prior to January 1, 2020 had this amendatory Act
3 of the 101st General Assembly been in effect, may apply
4 for and obtain an exemption for subsequent purchases of
5 computer equipment or enabling software purchased or
6 leased to upgrade, supplement, or replace computer
7 equipment or enabling software purchased or leased in the
8 original investment that would have qualified.

9 The Department of Commerce and Economic Opportunity
10 shall grant a certificate of exemption under this item
11 (44) to qualified data centers as defined by Section
12 605-1025 of the Department of Commerce and Economic
13 Opportunity Law of the Civil Administrative Code of
14 Illinois.

15 For the purposes of this item (44):

16 "Data center" means a building or a series of
17 buildings rehabilitated or constructed to house
18 working servers in one physical location or multiple
19 sites within the State of Illinois.

20 "Qualified tangible personal property" means:
21 electrical systems and equipment; climate control and
22 chilling equipment and systems; mechanical systems and
23 equipment; monitoring and secure systems; emergency
24 generators; hardware; computers; servers; data storage
25 devices; network connectivity equipment; racks;
26 cabinets; telecommunications cabling infrastructure;

1 raised floor systems; peripheral components or
2 systems; software; mechanical, electrical, or plumbing
3 systems; battery systems; cooling systems and towers;
4 temperature control systems; other cabling; and other
5 data center infrastructure equipment and systems
6 necessary to operate qualified tangible personal
7 property, including fixtures; and component parts of
8 any of the foregoing, including installation,
9 maintenance, repair, refurbishment, and replacement of
10 qualified tangible personal property to generate,
11 transform, transmit, distribute, or manage electricity
12 necessary to operate qualified tangible personal
13 property; and all other tangible personal property
14 that is essential to the operations of a computer data
15 center. The term "qualified tangible personal
16 property" also includes building materials physically
17 incorporated into ~~in to~~ the qualifying data center. To
18 document the exemption allowed under this Section, the
19 retailer must obtain from the purchaser a copy of the
20 certificate of eligibility issued by the Department of
21 Commerce and Economic Opportunity.

22 This item (44) is exempt from the provisions of
23 Section 2-70.

24 (45) Beginning January 1, 2020 and through December
25 31, 2020, sales of tangible personal property made by a
26 marketplace seller over a marketplace for which tax is due

1 under this Act but for which use tax has been collected and
2 remitted to the Department by a marketplace facilitator
3 under Section 2d of the Use Tax Act are exempt from tax
4 under this Act. A marketplace seller claiming this
5 exemption shall maintain books and records demonstrating
6 that the use tax on such sales has been collected and
7 remitted by a marketplace facilitator. Marketplace sellers
8 that have properly remitted tax under this Act on such
9 sales may file a claim for credit as provided in Section 6
10 of this Act. No claim is allowed, however, for such taxes
11 for which a credit or refund has been issued to the
12 marketplace facilitator under the Use Tax Act, or for
13 which the marketplace facilitator has filed a claim for
14 credit or refund under the Use Tax Act.

15 (46) Beginning July 1, 2022, breast pumps, breast pump
16 collection and storage supplies, and breast pump kits.
17 This item (46) is exempt from the provisions of Section
18 2-70. As used in this item (46):

19 "Breast pump" means an electrically controlled or
20 manually controlled pump device designed or marketed to be
21 used to express milk from a human breast during lactation,
22 including the pump device and any battery, AC adapter, or
23 other power supply unit that is used to power the pump
24 device and is packaged and sold with the pump device at the
25 time of sale.

26 "Breast pump collection and storage supplies" means

1 items of tangible personal property designed or marketed
2 to be used in conjunction with a breast pump to collect
3 milk expressed from a human breast and to store collected
4 milk until it is ready for consumption.

5 "Breast pump collection and storage supplies"
6 includes, but is not limited to: breast shields and breast
7 shield connectors; breast pump tubes and tubing adapters;
8 breast pump valves and membranes; backflow protectors and
9 backflow protector adaptors; bottles and bottle caps
10 specific to the operation of the breast pump; and breast
11 milk storage bags.

12 "Breast pump collection and storage supplies" does not
13 include: (1) bottles and bottle caps not specific to the
14 operation of the breast pump; (2) breast pump travel bags
15 and other similar carrying accessories, including ice
16 packs, labels, and other similar products; (3) breast pump
17 cleaning supplies; (4) nursing bras, bra pads, breast
18 shells, and other similar products; and (5) creams,
19 ointments, and other similar products that relieve
20 breastfeeding-related symptoms or conditions of the
21 breasts or nipples, unless sold as part of a breast pump
22 kit that is pre-packaged by the breast pump manufacturer
23 or distributor.

24 "Breast pump kit" means a kit that: (1) contains no
25 more than a breast pump, breast pump collection and
26 storage supplies, a rechargeable battery for operating the

1 breast pump, a breastmilk cooler, bottle stands, ice
2 packs, and a breast pump carrying case; and (2) is
3 pre-packaged as a breast pump kit by the breast pump
4 manufacturer or distributor.

5 (Source: P.A. 101-31, eff. 6-28-19; 101-81, eff. 7-12-19;
6 101-629, eff. 2-5-20; 102-16, eff. 6-17-21; 102-634, eff.
7 8-27-21; revised 11-9-21.)

8 ARTICLE 75. USE AND OCCUPATION TAXES-EQUIPMENT

9 Section 75-5. The Use Tax Act is amended by changing
10 Section 3-5 as follows:

11 (35 ILCS 105/3-5)

12 Sec. 3-5. Exemptions. Use of the following tangible
13 personal property is exempt from the tax imposed by this Act:

14 (1) Personal property purchased from a corporation,
15 society, association, foundation, institution, or
16 organization, other than a limited liability company, that is
17 organized and operated as a not-for-profit service enterprise
18 for the benefit of persons 65 years of age or older if the
19 personal property was not purchased by the enterprise for the
20 purpose of resale by the enterprise.

21 (2) Personal property purchased by a not-for-profit
22 Illinois county fair association for use in conducting,
23 operating, or promoting the county fair.

1 (3) Personal property purchased by a not-for-profit arts
2 or cultural organization that establishes, by proof required
3 by the Department by rule, that it has received an exemption
4 under Section 501(c)(3) of the Internal Revenue Code and that
5 is organized and operated primarily for the presentation or
6 support of arts or cultural programming, activities, or
7 services. These organizations include, but are not limited to,
8 music and dramatic arts organizations such as symphony
9 orchestras and theatrical groups, arts and cultural service
10 organizations, local arts councils, visual arts organizations,
11 and media arts organizations. On and after July 1, 2001 (the
12 effective date of Public Act 92-35), however, an entity
13 otherwise eligible for this exemption shall not make tax-free
14 purchases unless it has an active identification number issued
15 by the Department.

16 (4) Personal property purchased by a governmental body, by
17 a corporation, society, association, foundation, or
18 institution organized and operated exclusively for charitable,
19 religious, or educational purposes, or by a not-for-profit
20 corporation, society, association, foundation, institution, or
21 organization that has no compensated officers or employees and
22 that is organized and operated primarily for the recreation of
23 persons 55 years of age or older. A limited liability company
24 may qualify for the exemption under this paragraph only if the
25 limited liability company is organized and operated
26 exclusively for educational purposes. On and after July 1,

1 1987, however, no entity otherwise eligible for this exemption
2 shall make tax-free purchases unless it has an active
3 exemption identification number issued by the Department.

4 (5) Until July 1, 2003, a passenger car that is a
5 replacement vehicle to the extent that the purchase price of
6 the car is subject to the Replacement Vehicle Tax.

7 (6) Until July 1, 2003 and beginning again on September 1,
8 2004 through August 30, 2014, graphic arts machinery and
9 equipment, including repair and replacement parts, both new
10 and used, and including that manufactured on special order,
11 certified by the purchaser to be used primarily for graphic
12 arts production, and including machinery and equipment
13 purchased for lease. Equipment includes chemicals or chemicals
14 acting as catalysts but only if the chemicals or chemicals
15 acting as catalysts effect a direct and immediate change upon
16 a graphic arts product. Beginning on July 1, 2017, graphic
17 arts machinery and equipment is included in the manufacturing
18 and assembling machinery and equipment exemption under
19 paragraph (18).

20 (7) Farm chemicals.

21 (8) Legal tender, currency, medallions, or gold or silver
22 coinage issued by the State of Illinois, the government of the
23 United States of America, or the government of any foreign
24 country, and bullion.

25 (9) Personal property purchased from a teacher-sponsored
26 student organization affiliated with an elementary or

1 secondary school located in Illinois.

2 (10) A motor vehicle that is used for automobile renting,
3 as defined in the Automobile Renting Occupation and Use Tax
4 Act.

5 (11) Farm machinery and equipment, both new and used,
6 including that manufactured on special order, certified by the
7 purchaser to be used primarily for production agriculture or
8 State or federal agricultural programs, including individual
9 replacement parts for the machinery and equipment, including
10 machinery and equipment purchased for lease, and including
11 implements of husbandry defined in Section 1-130 of the
12 Illinois Vehicle Code, farm machinery and agricultural
13 chemical and fertilizer spreaders, and nurse wagons required
14 to be registered under Section 3-809 of the Illinois Vehicle
15 Code, but excluding other motor vehicles required to be
16 registered under the Illinois Vehicle Code. Horticultural
17 polyhouses or hoop houses used for propagating, growing, or
18 overwintering plants shall be considered farm machinery and
19 equipment under this item (11). Agricultural chemical tender
20 tanks and dry boxes shall include units sold separately from a
21 motor vehicle required to be licensed and units sold mounted
22 on a motor vehicle required to be licensed if the selling price
23 of the tender is separately stated.

24 Farm machinery and equipment shall include precision
25 farming equipment that is installed or purchased to be
26 installed on farm machinery and equipment including, but not

1 limited to, tractors, harvesters, sprayers, planters, seeders,
2 or spreaders. Precision farming equipment includes, but is not
3 limited to, soil testing sensors, computers, monitors,
4 software, global positioning and mapping systems, and other
5 such equipment.

6 Farm machinery and equipment also includes computers,
7 sensors, software, and related equipment used primarily in the
8 computer-assisted operation of production agriculture
9 facilities, equipment, and activities such as, but not limited
10 to, the collection, monitoring, and correlation of animal and
11 crop data for the purpose of formulating animal diets and
12 agricultural chemicals. This item (11) is exempt from the
13 provisions of Section 3-90.

14 (12) Until June 30, 2013, fuel and petroleum products sold
15 to or used by an air common carrier, certified by the carrier
16 to be used for consumption, shipment, or storage in the
17 conduct of its business as an air common carrier, for a flight
18 destined for or returning from a location or locations outside
19 the United States without regard to previous or subsequent
20 domestic stopovers.

21 Beginning July 1, 2013, fuel and petroleum products sold
22 to or used by an air carrier, certified by the carrier to be
23 used for consumption, shipment, or storage in the conduct of
24 its business as an air common carrier, for a flight that (i) is
25 engaged in foreign trade or is engaged in trade between the
26 United States and any of its possessions and (ii) transports

1 at least one individual or package for hire from the city of
2 origination to the city of final destination on the same
3 aircraft, without regard to a change in the flight number of
4 that aircraft.

5 (13) Proceeds of mandatory service charges separately
6 stated on customers' bills for the purchase and consumption of
7 food and beverages purchased at retail from a retailer, to the
8 extent that the proceeds of the service charge are in fact
9 turned over as tips or as a substitute for tips to the
10 employees who participate directly in preparing, serving,
11 hosting or cleaning up the food or beverage function with
12 respect to which the service charge is imposed.

13 (14) Until July 1, 2003, oil field exploration, drilling,
14 and production equipment, including (i) rigs and parts of
15 rigs, rotary rigs, cable tool rigs, and workover rigs, (ii)
16 pipe and tubular goods, including casing and drill strings,
17 (iii) pumps and pump-jack units, (iv) storage tanks and flow
18 lines, (v) any individual replacement part for oil field
19 exploration, drilling, and production equipment, and (vi)
20 machinery and equipment purchased for lease; but excluding
21 motor vehicles required to be registered under the Illinois
22 Vehicle Code.

23 (15) Photoprocessing machinery and equipment, including
24 repair and replacement parts, both new and used, including
25 that manufactured on special order, certified by the purchaser
26 to be used primarily for photoprocessing, and including

1 photoprocessing machinery and equipment purchased for lease.

2 (16) Until July 1, 2028 ~~July 1, 2023~~, coal and aggregate
3 exploration, mining, off-highway hauling, processing,
4 maintenance, and reclamation equipment, including replacement
5 parts and equipment, and including equipment purchased for
6 lease, but excluding motor vehicles required to be registered
7 under the Illinois Vehicle Code. The changes made to this
8 Section by Public Act 97-767 apply on and after July 1, 2003,
9 but no claim for credit or refund is allowed on or after August
10 16, 2013 (the effective date of Public Act 98-456) for such
11 taxes paid during the period beginning July 1, 2003 and ending
12 on August 16, 2013 (the effective date of Public Act 98-456).

13 (17) Until July 1, 2003, distillation machinery and
14 equipment, sold as a unit or kit, assembled or installed by the
15 retailer, certified by the user to be used only for the
16 production of ethyl alcohol that will be used for consumption
17 as motor fuel or as a component of motor fuel for the personal
18 use of the user, and not subject to sale or resale.

19 (18) Manufacturing and assembling machinery and equipment
20 used primarily in the process of manufacturing or assembling
21 tangible personal property for wholesale or retail sale or
22 lease, whether that sale or lease is made directly by the
23 manufacturer or by some other person, whether the materials
24 used in the process are owned by the manufacturer or some other
25 person, or whether that sale or lease is made apart from or as
26 an incident to the seller's engaging in the service occupation

1 of producing machines, tools, dies, jigs, patterns, gauges, or
2 other similar items of no commercial value on special order
3 for a particular purchaser. The exemption provided by this
4 paragraph (18) includes production related tangible personal
5 property, as defined in Section 3-50, purchased on or after
6 July 1, 2019. The exemption provided by this paragraph (18)
7 does not include machinery and equipment used in (i) the
8 generation of electricity for wholesale or retail sale; (ii)
9 the generation or treatment of natural or artificial gas for
10 wholesale or retail sale that is delivered to customers
11 through pipes, pipelines, or mains; or (iii) the treatment of
12 water for wholesale or retail sale that is delivered to
13 customers through pipes, pipelines, or mains. The provisions
14 of Public Act 98-583 are declaratory of existing law as to the
15 meaning and scope of this exemption. Beginning on July 1,
16 2017, the exemption provided by this paragraph (18) includes,
17 but is not limited to, graphic arts machinery and equipment,
18 as defined in paragraph (6) of this Section.

19 (19) Personal property delivered to a purchaser or
20 purchaser's donee inside Illinois when the purchase order for
21 that personal property was received by a florist located
22 outside Illinois who has a florist located inside Illinois
23 deliver the personal property.

24 (20) Semen used for artificial insemination of livestock
25 for direct agricultural production.

26 (21) Horses, or interests in horses, registered with and

1 meeting the requirements of any of the Arabian Horse Club
2 Registry of America, Appaloosa Horse Club, American Quarter
3 Horse Association, United States Trotting Association, or
4 Jockey Club, as appropriate, used for purposes of breeding or
5 racing for prizes. This item (21) is exempt from the
6 provisions of Section 3-90, and the exemption provided for
7 under this item (21) applies for all periods beginning May 30,
8 1995, but no claim for credit or refund is allowed on or after
9 January 1, 2008 for such taxes paid during the period
10 beginning May 30, 2000 and ending on January 1, 2008.

11 (22) Computers and communications equipment utilized for
12 any hospital purpose and equipment used in the diagnosis,
13 analysis, or treatment of hospital patients purchased by a
14 lessor who leases the equipment, under a lease of one year or
15 longer executed or in effect at the time the lessor would
16 otherwise be subject to the tax imposed by this Act, to a
17 hospital that has been issued an active tax exemption
18 identification number by the Department under Section 1g of
19 the Retailers' Occupation Tax Act. If the equipment is leased
20 in a manner that does not qualify for this exemption or is used
21 in any other non-exempt manner, the lessor shall be liable for
22 the tax imposed under this Act or the Service Use Tax Act, as
23 the case may be, based on the fair market value of the property
24 at the time the non-qualifying use occurs. No lessor shall
25 collect or attempt to collect an amount (however designated)
26 that purports to reimburse that lessor for the tax imposed by

1 this Act or the Service Use Tax Act, as the case may be, if the
2 tax has not been paid by the lessor. If a lessor improperly
3 collects any such amount from the lessee, the lessee shall
4 have a legal right to claim a refund of that amount from the
5 lessor. If, however, that amount is not refunded to the lessee
6 for any reason, the lessor is liable to pay that amount to the
7 Department.

8 (23) Personal property purchased by a lessor who leases
9 the property, under a lease of one year or longer executed or
10 in effect at the time the lessor would otherwise be subject to
11 the tax imposed by this Act, to a governmental body that has
12 been issued an active sales tax exemption identification
13 number by the Department under Section 1g of the Retailers'
14 Occupation Tax Act. If the property is leased in a manner that
15 does not qualify for this exemption or used in any other
16 non-exempt manner, the lessor shall be liable for the tax
17 imposed under this Act or the Service Use Tax Act, as the case
18 may be, based on the fair market value of the property at the
19 time the non-qualifying use occurs. No lessor shall collect or
20 attempt to collect an amount (however designated) that
21 purports to reimburse that lessor for the tax imposed by this
22 Act or the Service Use Tax Act, as the case may be, if the tax
23 has not been paid by the lessor. If a lessor improperly
24 collects any such amount from the lessee, the lessee shall
25 have a legal right to claim a refund of that amount from the
26 lessor. If, however, that amount is not refunded to the lessee

1 for any reason, the lessor is liable to pay that amount to the
2 Department.

3 (24) Beginning with taxable years ending on or after
4 December 31, 1995 and ending with taxable years ending on or
5 before December 31, 2004, personal property that is donated
6 for disaster relief to be used in a State or federally declared
7 disaster area in Illinois or bordering Illinois by a
8 manufacturer or retailer that is registered in this State to a
9 corporation, society, association, foundation, or institution
10 that has been issued a sales tax exemption identification
11 number by the Department that assists victims of the disaster
12 who reside within the declared disaster area.

13 (25) Beginning with taxable years ending on or after
14 December 31, 1995 and ending with taxable years ending on or
15 before December 31, 2004, personal property that is used in
16 the performance of infrastructure repairs in this State,
17 including but not limited to municipal roads and streets,
18 access roads, bridges, sidewalks, waste disposal systems,
19 water and sewer line extensions, water distribution and
20 purification facilities, storm water drainage and retention
21 facilities, and sewage treatment facilities, resulting from a
22 State or federally declared disaster in Illinois or bordering
23 Illinois when such repairs are initiated on facilities located
24 in the declared disaster area within 6 months after the
25 disaster.

26 (26) Beginning July 1, 1999, game or game birds purchased

1 at a "game breeding and hunting preserve area" as that term is
2 used in the Wildlife Code. This paragraph is exempt from the
3 provisions of Section 3-90.

4 (27) A motor vehicle, as that term is defined in Section
5 1-146 of the Illinois Vehicle Code, that is donated to a
6 corporation, limited liability company, society, association,
7 foundation, or institution that is determined by the
8 Department to be organized and operated exclusively for
9 educational purposes. For purposes of this exemption, "a
10 corporation, limited liability company, society, association,
11 foundation, or institution organized and operated exclusively
12 for educational purposes" means all tax-supported public
13 schools, private schools that offer systematic instruction in
14 useful branches of learning by methods common to public
15 schools and that compare favorably in their scope and
16 intensity with the course of study presented in tax-supported
17 schools, and vocational or technical schools or institutes
18 organized and operated exclusively to provide a course of
19 study of not less than 6 weeks duration and designed to prepare
20 individuals to follow a trade or to pursue a manual,
21 technical, mechanical, industrial, business, or commercial
22 occupation.

23 (28) Beginning January 1, 2000, personal property,
24 including food, purchased through fundraising events for the
25 benefit of a public or private elementary or secondary school,
26 a group of those schools, or one or more school districts if

1 the events are sponsored by an entity recognized by the school
2 district that consists primarily of volunteers and includes
3 parents and teachers of the school children. This paragraph
4 does not apply to fundraising events (i) for the benefit of
5 private home instruction or (ii) for which the fundraising
6 entity purchases the personal property sold at the events from
7 another individual or entity that sold the property for the
8 purpose of resale by the fundraising entity and that profits
9 from the sale to the fundraising entity. This paragraph is
10 exempt from the provisions of Section 3-90.

11 (29) Beginning January 1, 2000 and through December 31,
12 2001, new or used automatic vending machines that prepare and
13 serve hot food and beverages, including coffee, soup, and
14 other items, and replacement parts for these machines.
15 Beginning January 1, 2002 and through June 30, 2003, machines
16 and parts for machines used in commercial, coin-operated
17 amusement and vending business if a use or occupation tax is
18 paid on the gross receipts derived from the use of the
19 commercial, coin-operated amusement and vending machines. This
20 paragraph is exempt from the provisions of Section 3-90.

21 (30) Beginning January 1, 2001 and through June 30, 2016,
22 food for human consumption that is to be consumed off the
23 premises where it is sold (other than alcoholic beverages,
24 soft drinks, and food that has been prepared for immediate
25 consumption) and prescription and nonprescription medicines,
26 drugs, medical appliances, and insulin, urine testing

1 materials, syringes, and needles used by diabetics, for human
2 use, when purchased for use by a person receiving medical
3 assistance under Article V of the Illinois Public Aid Code who
4 resides in a licensed long-term care facility, as defined in
5 the Nursing Home Care Act, or in a licensed facility as defined
6 in the ID/DD Community Care Act, the MC/DD Act, or the
7 Specialized Mental Health Rehabilitation Act of 2013.

8 (31) Beginning on August 2, 2001 (the effective date of
9 Public Act 92-227), computers and communications equipment
10 utilized for any hospital purpose and equipment used in the
11 diagnosis, analysis, or treatment of hospital patients
12 purchased by a lessor who leases the equipment, under a lease
13 of one year or longer executed or in effect at the time the
14 lessor would otherwise be subject to the tax imposed by this
15 Act, to a hospital that has been issued an active tax exemption
16 identification number by the Department under Section 1g of
17 the Retailers' Occupation Tax Act. If the equipment is leased
18 in a manner that does not qualify for this exemption or is used
19 in any other nonexempt manner, the lessor shall be liable for
20 the tax imposed under this Act or the Service Use Tax Act, as
21 the case may be, based on the fair market value of the property
22 at the time the nonqualifying use occurs. No lessor shall
23 collect or attempt to collect an amount (however designated)
24 that purports to reimburse that lessor for the tax imposed by
25 this Act or the Service Use Tax Act, as the case may be, if the
26 tax has not been paid by the lessor. If a lessor improperly

1 collects any such amount from the lessee, the lessee shall
2 have a legal right to claim a refund of that amount from the
3 lessor. If, however, that amount is not refunded to the lessee
4 for any reason, the lessor is liable to pay that amount to the
5 Department. This paragraph is exempt from the provisions of
6 Section 3-90.

7 (32) Beginning on August 2, 2001 (the effective date of
8 Public Act 92-227), personal property purchased by a lessor
9 who leases the property, under a lease of one year or longer
10 executed or in effect at the time the lessor would otherwise be
11 subject to the tax imposed by this Act, to a governmental body
12 that has been issued an active sales tax exemption
13 identification number by the Department under Section 1g of
14 the Retailers' Occupation Tax Act. If the property is leased
15 in a manner that does not qualify for this exemption or used in
16 any other nonexempt manner, the lessor shall be liable for the
17 tax imposed under this Act or the Service Use Tax Act, as the
18 case may be, based on the fair market value of the property at
19 the time the nonqualifying use occurs. No lessor shall collect
20 or attempt to collect an amount (however designated) that
21 purports to reimburse that lessor for the tax imposed by this
22 Act or the Service Use Tax Act, as the case may be, if the tax
23 has not been paid by the lessor. If a lessor improperly
24 collects any such amount from the lessee, the lessee shall
25 have a legal right to claim a refund of that amount from the
26 lessor. If, however, that amount is not refunded to the lessee

1 for any reason, the lessor is liable to pay that amount to the
2 Department. This paragraph is exempt from the provisions of
3 Section 3-90.

4 (33) On and after July 1, 2003 and through June 30, 2004,
5 the use in this State of motor vehicles of the second division
6 with a gross vehicle weight in excess of 8,000 pounds and that
7 are subject to the commercial distribution fee imposed under
8 Section 3-815.1 of the Illinois Vehicle Code. Beginning on
9 July 1, 2004 and through June 30, 2005, the use in this State
10 of motor vehicles of the second division: (i) with a gross
11 vehicle weight rating in excess of 8,000 pounds; (ii) that are
12 subject to the commercial distribution fee imposed under
13 Section 3-815.1 of the Illinois Vehicle Code; and (iii) that
14 are primarily used for commercial purposes. Through June 30,
15 2005, this exemption applies to repair and replacement parts
16 added after the initial purchase of such a motor vehicle if
17 that motor vehicle is used in a manner that would qualify for
18 the rolling stock exemption otherwise provided for in this
19 Act. For purposes of this paragraph, the term "used for
20 commercial purposes" means the transportation of persons or
21 property in furtherance of any commercial or industrial
22 enterprise, whether for-hire or not.

23 (34) Beginning January 1, 2008, tangible personal property
24 used in the construction or maintenance of a community water
25 supply, as defined under Section 3.145 of the Environmental
26 Protection Act, that is operated by a not-for-profit

1 corporation that holds a valid water supply permit issued
2 under Title IV of the Environmental Protection Act. This
3 paragraph is exempt from the provisions of Section 3-90.

4 (35) Beginning January 1, 2010 and continuing through
5 December 31, 2024, materials, parts, equipment, components,
6 and furnishings incorporated into or upon an aircraft as part
7 of the modification, refurbishment, completion, replacement,
8 repair, or maintenance of the aircraft. This exemption
9 includes consumable supplies used in the modification,
10 refurbishment, completion, replacement, repair, and
11 maintenance of aircraft, but excludes any materials, parts,
12 equipment, components, and consumable supplies used in the
13 modification, replacement, repair, and maintenance of aircraft
14 engines or power plants, whether such engines or power plants
15 are installed or uninstalled upon any such aircraft.
16 "Consumable supplies" include, but are not limited to,
17 adhesive, tape, sandpaper, general purpose lubricants,
18 cleaning solution, latex gloves, and protective films. This
19 exemption applies only to the use of qualifying tangible
20 personal property by persons who modify, refurbish, complete,
21 repair, replace, or maintain aircraft and who (i) hold an Air
22 Agency Certificate and are empowered to operate an approved
23 repair station by the Federal Aviation Administration, (ii)
24 have a Class IV Rating, and (iii) conduct operations in
25 accordance with Part 145 of the Federal Aviation Regulations.
26 The exemption does not include aircraft operated by a

1 commercial air carrier providing scheduled passenger air
2 service pursuant to authority issued under Part 121 or Part
3 129 of the Federal Aviation Regulations. The changes made to
4 this paragraph (35) by Public Act 98-534 are declarative of
5 existing law. It is the intent of the General Assembly that the
6 exemption under this paragraph (35) applies continuously from
7 January 1, 2010 through December 31, 2024; however, no claim
8 for credit or refund is allowed for taxes paid as a result of
9 the disallowance of this exemption on or after January 1, 2015
10 and prior to the effective date of this amendatory Act of the
11 101st General Assembly.

12 (36) Tangible personal property purchased by a
13 public-facilities corporation, as described in Section
14 11-65-10 of the Illinois Municipal Code, for purposes of
15 constructing or furnishing a municipal convention hall, but
16 only if the legal title to the municipal convention hall is
17 transferred to the municipality without any further
18 consideration by or on behalf of the municipality at the time
19 of the completion of the municipal convention hall or upon the
20 retirement or redemption of any bonds or other debt
21 instruments issued by the public-facilities corporation in
22 connection with the development of the municipal convention
23 hall. This exemption includes existing public-facilities
24 corporations as provided in Section 11-65-25 of the Illinois
25 Municipal Code. This paragraph is exempt from the provisions
26 of Section 3-90.

1 (37) Beginning January 1, 2017 and through December 31,
2 2026, menstrual pads, tampons, and menstrual cups.

3 (38) Merchandise that is subject to the Rental Purchase
4 Agreement Occupation and Use Tax. The purchaser must certify
5 that the item is purchased to be rented subject to a rental
6 purchase agreement, as defined in the Rental Purchase
7 Agreement Act, and provide proof of registration under the
8 Rental Purchase Agreement Occupation and Use Tax Act. This
9 paragraph is exempt from the provisions of Section 3-90.

10 (39) Tangible personal property purchased by a purchaser
11 who is exempt from the tax imposed by this Act by operation of
12 federal law. This paragraph is exempt from the provisions of
13 Section 3-90.

14 (40) Qualified tangible personal property used in the
15 construction or operation of a data center that has been
16 granted a certificate of exemption by the Department of
17 Commerce and Economic Opportunity, whether that tangible
18 personal property is purchased by the owner, operator, or
19 tenant of the data center or by a contractor or subcontractor
20 of the owner, operator, or tenant. Data centers that would
21 have qualified for a certificate of exemption prior to January
22 1, 2020 had Public Act 101-31 been in effect may apply for and
23 obtain an exemption for subsequent purchases of computer
24 equipment or enabling software purchased or leased to upgrade,
25 supplement, or replace computer equipment or enabling software
26 purchased or leased in the original investment that would have

1 qualified.

2 The Department of Commerce and Economic Opportunity shall
3 grant a certificate of exemption under this item (40) to
4 qualified data centers as defined by Section 605-1025 of the
5 Department of Commerce and Economic Opportunity Law of the
6 Civil Administrative Code of Illinois.

7 For the purposes of this item (40):

8 "Data center" means a building or a series of
9 buildings rehabilitated or constructed to house working
10 servers in one physical location or multiple sites within
11 the State of Illinois.

12 "Qualified tangible personal property" means:
13 electrical systems and equipment; climate control and
14 chilling equipment and systems; mechanical systems and
15 equipment; monitoring and secure systems; emergency
16 generators; hardware; computers; servers; data storage
17 devices; network connectivity equipment; racks; cabinets;
18 telecommunications cabling infrastructure; raised floor
19 systems; peripheral components or systems; software;
20 mechanical, electrical, or plumbing systems; battery
21 systems; cooling systems and towers; temperature control
22 systems; other cabling; and other data center
23 infrastructure equipment and systems necessary to operate
24 qualified tangible personal property, including fixtures;
25 and component parts of any of the foregoing, including
26 installation, maintenance, repair, refurbishment, and

1 replacement of qualified tangible personal property to
2 generate, transform, transmit, distribute, or manage
3 electricity necessary to operate qualified tangible
4 personal property; and all other tangible personal
5 property that is essential to the operations of a computer
6 data center. The term "qualified tangible personal
7 property" also includes building materials physically
8 incorporated in to the qualifying data center. To document
9 the exemption allowed under this Section, the retailer
10 must obtain from the purchaser a copy of the certificate
11 of eligibility issued by the Department of Commerce and
12 Economic Opportunity.

13 This item (40) is exempt from the provisions of Section
14 3-90.

15 (Source: P.A. 101-9, eff. 6-5-19; 101-31, eff. 6-28-19;
16 101-81, eff. 7-12-19; 101-629, eff. 2-5-20; 102-16, eff.
17 6-17-21.)

18 Section 75-10. The Service Use Tax Act is amended by
19 changing Section 3-5 as follows:

20 (35 ILCS 110/3-5)

21 Sec. 3-5. Exemptions. Use of the following tangible
22 personal property is exempt from the tax imposed by this Act:

23 (1) Personal property purchased from a corporation,
24 society, association, foundation, institution, or

1 organization, other than a limited liability company, that is
2 organized and operated as a not-for-profit service enterprise
3 for the benefit of persons 65 years of age or older if the
4 personal property was not purchased by the enterprise for the
5 purpose of resale by the enterprise.

6 (2) Personal property purchased by a non-profit Illinois
7 county fair association for use in conducting, operating, or
8 promoting the county fair.

9 (3) Personal property purchased by a not-for-profit arts
10 or cultural organization that establishes, by proof required
11 by the Department by rule, that it has received an exemption
12 under Section 501(c)(3) of the Internal Revenue Code and that
13 is organized and operated primarily for the presentation or
14 support of arts or cultural programming, activities, or
15 services. These organizations include, but are not limited to,
16 music and dramatic arts organizations such as symphony
17 orchestras and theatrical groups, arts and cultural service
18 organizations, local arts councils, visual arts organizations,
19 and media arts organizations. On and after July 1, 2001 (the
20 effective date of Public Act 92-35), however, an entity
21 otherwise eligible for this exemption shall not make tax-free
22 purchases unless it has an active identification number issued
23 by the Department.

24 (4) Legal tender, currency, medallions, or gold or silver
25 coinage issued by the State of Illinois, the government of the
26 United States of America, or the government of any foreign

1 country, and bullion.

2 (5) Until July 1, 2003 and beginning again on September 1,
3 2004 through August 30, 2014, graphic arts machinery and
4 equipment, including repair and replacement parts, both new
5 and used, and including that manufactured on special order or
6 purchased for lease, certified by the purchaser to be used
7 primarily for graphic arts production. Equipment includes
8 chemicals or chemicals acting as catalysts but only if the
9 chemicals or chemicals acting as catalysts effect a direct and
10 immediate change upon a graphic arts product. Beginning on
11 July 1, 2017, graphic arts machinery and equipment is included
12 in the manufacturing and assembling machinery and equipment
13 exemption under Section 2 of this Act.

14 (6) Personal property purchased from a teacher-sponsored
15 student organization affiliated with an elementary or
16 secondary school located in Illinois.

17 (7) Farm machinery and equipment, both new and used,
18 including that manufactured on special order, certified by the
19 purchaser to be used primarily for production agriculture or
20 State or federal agricultural programs, including individual
21 replacement parts for the machinery and equipment, including
22 machinery and equipment purchased for lease, and including
23 implements of husbandry defined in Section 1-130 of the
24 Illinois Vehicle Code, farm machinery and agricultural
25 chemical and fertilizer spreaders, and nurse wagons required
26 to be registered under Section 3-809 of the Illinois Vehicle

1 Code, but excluding other motor vehicles required to be
2 registered under the Illinois Vehicle Code. Horticultural
3 polyhouses or hoop houses used for propagating, growing, or
4 overwintering plants shall be considered farm machinery and
5 equipment under this item (7). Agricultural chemical tender
6 tanks and dry boxes shall include units sold separately from a
7 motor vehicle required to be licensed and units sold mounted
8 on a motor vehicle required to be licensed if the selling price
9 of the tender is separately stated.

10 Farm machinery and equipment shall include precision
11 farming equipment that is installed or purchased to be
12 installed on farm machinery and equipment including, but not
13 limited to, tractors, harvesters, sprayers, planters, seeders,
14 or spreaders. Precision farming equipment includes, but is not
15 limited to, soil testing sensors, computers, monitors,
16 software, global positioning and mapping systems, and other
17 such equipment.

18 Farm machinery and equipment also includes computers,
19 sensors, software, and related equipment used primarily in the
20 computer-assisted operation of production agriculture
21 facilities, equipment, and activities such as, but not limited
22 to, the collection, monitoring, and correlation of animal and
23 crop data for the purpose of formulating animal diets and
24 agricultural chemicals. This item (7) is exempt from the
25 provisions of Section 3-75.

26 (8) Until June 30, 2013, fuel and petroleum products sold

1 to or used by an air common carrier, certified by the carrier
2 to be used for consumption, shipment, or storage in the
3 conduct of its business as an air common carrier, for a flight
4 destined for or returning from a location or locations outside
5 the United States without regard to previous or subsequent
6 domestic stopovers.

7 Beginning July 1, 2013, fuel and petroleum products sold
8 to or used by an air carrier, certified by the carrier to be
9 used for consumption, shipment, or storage in the conduct of
10 its business as an air common carrier, for a flight that (i) is
11 engaged in foreign trade or is engaged in trade between the
12 United States and any of its possessions and (ii) transports
13 at least one individual or package for hire from the city of
14 origination to the city of final destination on the same
15 aircraft, without regard to a change in the flight number of
16 that aircraft.

17 (9) Proceeds of mandatory service charges separately
18 stated on customers' bills for the purchase and consumption of
19 food and beverages acquired as an incident to the purchase of a
20 service from a serviceman, to the extent that the proceeds of
21 the service charge are in fact turned over as tips or as a
22 substitute for tips to the employees who participate directly
23 in preparing, serving, hosting or cleaning up the food or
24 beverage function with respect to which the service charge is
25 imposed.

26 (10) Until July 1, 2003, oil field exploration, drilling,

1 and production equipment, including (i) rigs and parts of
2 rigs, rotary rigs, cable tool rigs, and workover rigs, (ii)
3 pipe and tubular goods, including casing and drill strings,
4 (iii) pumps and pump-jack units, (iv) storage tanks and flow
5 lines, (v) any individual replacement part for oil field
6 exploration, drilling, and production equipment, and (vi)
7 machinery and equipment purchased for lease; but excluding
8 motor vehicles required to be registered under the Illinois
9 Vehicle Code.

10 (11) Proceeds from the sale of photoprocessing machinery
11 and equipment, including repair and replacement parts, both
12 new and used, including that manufactured on special order,
13 certified by the purchaser to be used primarily for
14 photoprocessing, and including photoprocessing machinery and
15 equipment purchased for lease.

16 (12) Until July 1, 2028 ~~July 1, 2023~~, coal and aggregate
17 exploration, mining, off-highway hauling, processing,
18 maintenance, and reclamation equipment, including replacement
19 parts and equipment, and including equipment purchased for
20 lease, but excluding motor vehicles required to be registered
21 under the Illinois Vehicle Code. The changes made to this
22 Section by Public Act 97-767 apply on and after July 1, 2003,
23 but no claim for credit or refund is allowed on or after August
24 16, 2013 (the effective date of Public Act 98-456) for such
25 taxes paid during the period beginning July 1, 2003 and ending
26 on August 16, 2013 (the effective date of Public Act 98-456).

1 (13) Semen used for artificial insemination of livestock
2 for direct agricultural production.

3 (14) Horses, or interests in horses, registered with and
4 meeting the requirements of any of the Arabian Horse Club
5 Registry of America, Appaloosa Horse Club, American Quarter
6 Horse Association, United States Trotting Association, or
7 Jockey Club, as appropriate, used for purposes of breeding or
8 racing for prizes. This item (14) is exempt from the
9 provisions of Section 3-75, and the exemption provided for
10 under this item (14) applies for all periods beginning May 30,
11 1995, but no claim for credit or refund is allowed on or after
12 January 1, 2008 (the effective date of Public Act 95-88) for
13 such taxes paid during the period beginning May 30, 2000 and
14 ending on January 1, 2008 (the effective date of Public Act
15 95-88).

16 (15) Computers and communications equipment utilized for
17 any hospital purpose and equipment used in the diagnosis,
18 analysis, or treatment of hospital patients purchased by a
19 lessor who leases the equipment, under a lease of one year or
20 longer executed or in effect at the time the lessor would
21 otherwise be subject to the tax imposed by this Act, to a
22 hospital that has been issued an active tax exemption
23 identification number by the Department under Section 1g of
24 the Retailers' Occupation Tax Act. If the equipment is leased
25 in a manner that does not qualify for this exemption or is used
26 in any other non-exempt manner, the lessor shall be liable for

1 the tax imposed under this Act or the Use Tax Act, as the case
2 may be, based on the fair market value of the property at the
3 time the non-qualifying use occurs. No lessor shall collect or
4 attempt to collect an amount (however designated) that
5 purports to reimburse that lessor for the tax imposed by this
6 Act or the Use Tax Act, as the case may be, if the tax has not
7 been paid by the lessor. If a lessor improperly collects any
8 such amount from the lessee, the lessee shall have a legal
9 right to claim a refund of that amount from the lessor. If,
10 however, that amount is not refunded to the lessee for any
11 reason, the lessor is liable to pay that amount to the
12 Department.

13 (16) Personal property purchased by a lessor who leases
14 the property, under a lease of one year or longer executed or
15 in effect at the time the lessor would otherwise be subject to
16 the tax imposed by this Act, to a governmental body that has
17 been issued an active tax exemption identification number by
18 the Department under Section 1g of the Retailers' Occupation
19 Tax Act. If the property is leased in a manner that does not
20 qualify for this exemption or is used in any other non-exempt
21 manner, the lessor shall be liable for the tax imposed under
22 this Act or the Use Tax Act, as the case may be, based on the
23 fair market value of the property at the time the
24 non-qualifying use occurs. No lessor shall collect or attempt
25 to collect an amount (however designated) that purports to
26 reimburse that lessor for the tax imposed by this Act or the

1 Use Tax Act, as the case may be, if the tax has not been paid
2 by the lessor. If a lessor improperly collects any such amount
3 from the lessee, the lessee shall have a legal right to claim a
4 refund of that amount from the lessor. If, however, that
5 amount is not refunded to the lessee for any reason, the lessor
6 is liable to pay that amount to the Department.

7 (17) Beginning with taxable years ending on or after
8 December 31, 1995 and ending with taxable years ending on or
9 before December 31, 2004, personal property that is donated
10 for disaster relief to be used in a State or federally declared
11 disaster area in Illinois or bordering Illinois by a
12 manufacturer or retailer that is registered in this State to a
13 corporation, society, association, foundation, or institution
14 that has been issued a sales tax exemption identification
15 number by the Department that assists victims of the disaster
16 who reside within the declared disaster area.

17 (18) Beginning with taxable years ending on or after
18 December 31, 1995 and ending with taxable years ending on or
19 before December 31, 2004, personal property that is used in
20 the performance of infrastructure repairs in this State,
21 including but not limited to municipal roads and streets,
22 access roads, bridges, sidewalks, waste disposal systems,
23 water and sewer line extensions, water distribution and
24 purification facilities, storm water drainage and retention
25 facilities, and sewage treatment facilities, resulting from a
26 State or federally declared disaster in Illinois or bordering

1 Illinois when such repairs are initiated on facilities located
2 in the declared disaster area within 6 months after the
3 disaster.

4 (19) Beginning July 1, 1999, game or game birds purchased
5 at a "game breeding and hunting preserve area" as that term is
6 used in the Wildlife Code. This paragraph is exempt from the
7 provisions of Section 3-75.

8 (20) A motor vehicle, as that term is defined in Section
9 1-146 of the Illinois Vehicle Code, that is donated to a
10 corporation, limited liability company, society, association,
11 foundation, or institution that is determined by the
12 Department to be organized and operated exclusively for
13 educational purposes. For purposes of this exemption, "a
14 corporation, limited liability company, society, association,
15 foundation, or institution organized and operated exclusively
16 for educational purposes" means all tax-supported public
17 schools, private schools that offer systematic instruction in
18 useful branches of learning by methods common to public
19 schools and that compare favorably in their scope and
20 intensity with the course of study presented in tax-supported
21 schools, and vocational or technical schools or institutes
22 organized and operated exclusively to provide a course of
23 study of not less than 6 weeks duration and designed to prepare
24 individuals to follow a trade or to pursue a manual,
25 technical, mechanical, industrial, business, or commercial
26 occupation.

1 (21) Beginning January 1, 2000, personal property,
2 including food, purchased through fundraising events for the
3 benefit of a public or private elementary or secondary school,
4 a group of those schools, or one or more school districts if
5 the events are sponsored by an entity recognized by the school
6 district that consists primarily of volunteers and includes
7 parents and teachers of the school children. This paragraph
8 does not apply to fundraising events (i) for the benefit of
9 private home instruction or (ii) for which the fundraising
10 entity purchases the personal property sold at the events from
11 another individual or entity that sold the property for the
12 purpose of resale by the fundraising entity and that profits
13 from the sale to the fundraising entity. This paragraph is
14 exempt from the provisions of Section 3-75.

15 (22) Beginning January 1, 2000 and through December 31,
16 2001, new or used automatic vending machines that prepare and
17 serve hot food and beverages, including coffee, soup, and
18 other items, and replacement parts for these machines.
19 Beginning January 1, 2002 and through June 30, 2003, machines
20 and parts for machines used in commercial, coin-operated
21 amusement and vending business if a use or occupation tax is
22 paid on the gross receipts derived from the use of the
23 commercial, coin-operated amusement and vending machines. This
24 paragraph is exempt from the provisions of Section 3-75.

25 (23) Beginning August 23, 2001 and through June 30, 2016,
26 food for human consumption that is to be consumed off the

1 premises where it is sold (other than alcoholic beverages,
2 soft drinks, and food that has been prepared for immediate
3 consumption) and prescription and nonprescription medicines,
4 drugs, medical appliances, and insulin, urine testing
5 materials, syringes, and needles used by diabetics, for human
6 use, when purchased for use by a person receiving medical
7 assistance under Article V of the Illinois Public Aid Code who
8 resides in a licensed long-term care facility, as defined in
9 the Nursing Home Care Act, or in a licensed facility as defined
10 in the ID/DD Community Care Act, the MC/DD Act, or the
11 Specialized Mental Health Rehabilitation Act of 2013.

12 (24) Beginning on August 2, 2001 (the effective date of
13 Public Act 92-227), computers and communications equipment
14 utilized for any hospital purpose and equipment used in the
15 diagnosis, analysis, or treatment of hospital patients
16 purchased by a lessor who leases the equipment, under a lease
17 of one year or longer executed or in effect at the time the
18 lessor would otherwise be subject to the tax imposed by this
19 Act, to a hospital that has been issued an active tax exemption
20 identification number by the Department under Section 1g of
21 the Retailers' Occupation Tax Act. If the equipment is leased
22 in a manner that does not qualify for this exemption or is used
23 in any other nonexempt manner, the lessor shall be liable for
24 the tax imposed under this Act or the Use Tax Act, as the case
25 may be, based on the fair market value of the property at the
26 time the nonqualifying use occurs. No lessor shall collect or

1 attempt to collect an amount (however designated) that
2 purports to reimburse that lessor for the tax imposed by this
3 Act or the Use Tax Act, as the case may be, if the tax has not
4 been paid by the lessor. If a lessor improperly collects any
5 such amount from the lessee, the lessee shall have a legal
6 right to claim a refund of that amount from the lessor. If,
7 however, that amount is not refunded to the lessee for any
8 reason, the lessor is liable to pay that amount to the
9 Department. This paragraph is exempt from the provisions of
10 Section 3-75.

11 (25) Beginning on August 2, 2001 (the effective date of
12 Public Act 92-227), personal property purchased by a lessor
13 who leases the property, under a lease of one year or longer
14 executed or in effect at the time the lessor would otherwise be
15 subject to the tax imposed by this Act, to a governmental body
16 that has been issued an active tax exemption identification
17 number by the Department under Section 1g of the Retailers'
18 Occupation Tax Act. If the property is leased in a manner that
19 does not qualify for this exemption or is used in any other
20 nonexempt manner, the lessor shall be liable for the tax
21 imposed under this Act or the Use Tax Act, as the case may be,
22 based on the fair market value of the property at the time the
23 nonqualifying use occurs. No lessor shall collect or attempt
24 to collect an amount (however designated) that purports to
25 reimburse that lessor for the tax imposed by this Act or the
26 Use Tax Act, as the case may be, if the tax has not been paid

1 by the lessor. If a lessor improperly collects any such amount
2 from the lessee, the lessee shall have a legal right to claim a
3 refund of that amount from the lessor. If, however, that
4 amount is not refunded to the lessee for any reason, the lessor
5 is liable to pay that amount to the Department. This paragraph
6 is exempt from the provisions of Section 3-75.

7 (26) Beginning January 1, 2008, tangible personal property
8 used in the construction or maintenance of a community water
9 supply, as defined under Section 3.145 of the Environmental
10 Protection Act, that is operated by a not-for-profit
11 corporation that holds a valid water supply permit issued
12 under Title IV of the Environmental Protection Act. This
13 paragraph is exempt from the provisions of Section 3-75.

14 (27) Beginning January 1, 2010 and continuing through
15 December 31, 2024, materials, parts, equipment, components,
16 and furnishings incorporated into or upon an aircraft as part
17 of the modification, refurbishment, completion, replacement,
18 repair, or maintenance of the aircraft. This exemption
19 includes consumable supplies used in the modification,
20 refurbishment, completion, replacement, repair, and
21 maintenance of aircraft, but excludes any materials, parts,
22 equipment, components, and consumable supplies used in the
23 modification, replacement, repair, and maintenance of aircraft
24 engines or power plants, whether such engines or power plants
25 are installed or uninstalled upon any such aircraft.
26 "Consumable supplies" include, but are not limited to,

1 adhesive, tape, sandpaper, general purpose lubricants,
2 cleaning solution, latex gloves, and protective films. This
3 exemption applies only to the use of qualifying tangible
4 personal property transferred incident to the modification,
5 refurbishment, completion, replacement, repair, or maintenance
6 of aircraft by persons who (i) hold an Air Agency Certificate
7 and are empowered to operate an approved repair station by the
8 Federal Aviation Administration, (ii) have a Class IV Rating,
9 and (iii) conduct operations in accordance with Part 145 of
10 the Federal Aviation Regulations. The exemption does not
11 include aircraft operated by a commercial air carrier
12 providing scheduled passenger air service pursuant to
13 authority issued under Part 121 or Part 129 of the Federal
14 Aviation Regulations. The changes made to this paragraph (27)
15 by Public Act 98-534 are declarative of existing law. It is the
16 intent of the General Assembly that the exemption under this
17 paragraph (27) applies continuously from January 1, 2010
18 through December 31, 2024; however, no claim for credit or
19 refund is allowed for taxes paid as a result of the
20 disallowance of this exemption on or after January 1, 2015 and
21 prior to the effective date of this amendatory Act of the 101st
22 General Assembly.

23 (28) Tangible personal property purchased by a
24 public-facilities corporation, as described in Section
25 11-65-10 of the Illinois Municipal Code, for purposes of
26 constructing or furnishing a municipal convention hall, but

1 only if the legal title to the municipal convention hall is
2 transferred to the municipality without any further
3 consideration by or on behalf of the municipality at the time
4 of the completion of the municipal convention hall or upon the
5 retirement or redemption of any bonds or other debt
6 instruments issued by the public-facilities corporation in
7 connection with the development of the municipal convention
8 hall. This exemption includes existing public-facilities
9 corporations as provided in Section 11-65-25 of the Illinois
10 Municipal Code. This paragraph is exempt from the provisions
11 of Section 3-75.

12 (29) Beginning January 1, 2017 and through December 31,
13 2026, menstrual pads, tampons, and menstrual cups.

14 (30) Tangible personal property transferred to a purchaser
15 who is exempt from the tax imposed by this Act by operation of
16 federal law. This paragraph is exempt from the provisions of
17 Section 3-75.

18 (31) Qualified tangible personal property used in the
19 construction or operation of a data center that has been
20 granted a certificate of exemption by the Department of
21 Commerce and Economic Opportunity, whether that tangible
22 personal property is purchased by the owner, operator, or
23 tenant of the data center or by a contractor or subcontractor
24 of the owner, operator, or tenant. Data centers that would
25 have qualified for a certificate of exemption prior to January
26 1, 2020 had this amendatory Act of the 101st General Assembly

1 been in effect, may apply for and obtain an exemption for
2 subsequent purchases of computer equipment or enabling
3 software purchased or leased to upgrade, supplement, or
4 replace computer equipment or enabling software purchased or
5 leased in the original investment that would have qualified.

6 The Department of Commerce and Economic Opportunity shall
7 grant a certificate of exemption under this item (31) to
8 qualified data centers as defined by Section 605-1025 of the
9 Department of Commerce and Economic Opportunity Law of the
10 Civil Administrative Code of Illinois.

11 For the purposes of this item (31):

12 "Data center" means a building or a series of
13 buildings rehabilitated or constructed to house working
14 servers in one physical location or multiple sites within
15 the State of Illinois.

16 "Qualified tangible personal property" means:
17 electrical systems and equipment; climate control and
18 chilling equipment and systems; mechanical systems and
19 equipment; monitoring and secure systems; emergency
20 generators; hardware; computers; servers; data storage
21 devices; network connectivity equipment; racks; cabinets;
22 telecommunications cabling infrastructure; raised floor
23 systems; peripheral components or systems; software;
24 mechanical, electrical, or plumbing systems; battery
25 systems; cooling systems and towers; temperature control
26 systems; other cabling; and other data center

1 infrastructure equipment and systems necessary to operate
2 qualified tangible personal property, including fixtures;
3 and component parts of any of the foregoing, including
4 installation, maintenance, repair, refurbishment, and
5 replacement of qualified tangible personal property to
6 generate, transform, transmit, distribute, or manage
7 electricity necessary to operate qualified tangible
8 personal property; and all other tangible personal
9 property that is essential to the operations of a computer
10 data center. The term "qualified tangible personal
11 property" also includes building materials physically
12 incorporated in to the qualifying data center. To document
13 the exemption allowed under this Section, the retailer
14 must obtain from the purchaser a copy of the certificate
15 of eligibility issued by the Department of Commerce and
16 Economic Opportunity.

17 This item (31) is exempt from the provisions of Section
18 3-75.

19 (Source: P.A. 101-31, eff. 6-28-19; 101-81, eff. 7-12-19;
20 101-629, eff. 2-5-20; 102-16, eff. 6-17-21.)

21 Section 75-15. The Service Occupation Tax Act is amended
22 by changing Section 3-5 as follows:

23 (35 ILCS 115/3-5)

24 Sec. 3-5. Exemptions. The following tangible personal

1 property is exempt from the tax imposed by this Act:

2 (1) Personal property sold by a corporation, society,
3 association, foundation, institution, or organization, other
4 than a limited liability company, that is organized and
5 operated as a not-for-profit service enterprise for the
6 benefit of persons 65 years of age or older if the personal
7 property was not purchased by the enterprise for the purpose
8 of resale by the enterprise.

9 (2) Personal property purchased by a not-for-profit
10 Illinois county fair association for use in conducting,
11 operating, or promoting the county fair.

12 (3) Personal property purchased by any not-for-profit arts
13 or cultural organization that establishes, by proof required
14 by the Department by rule, that it has received an exemption
15 under Section 501(c)(3) of the Internal Revenue Code and that
16 is organized and operated primarily for the presentation or
17 support of arts or cultural programming, activities, or
18 services. These organizations include, but are not limited to,
19 music and dramatic arts organizations such as symphony
20 orchestras and theatrical groups, arts and cultural service
21 organizations, local arts councils, visual arts organizations,
22 and media arts organizations. On and after July 1, 2001 (the
23 effective date of Public Act 92-35), however, an entity
24 otherwise eligible for this exemption shall not make tax-free
25 purchases unless it has an active identification number issued
26 by the Department.

1 (4) Legal tender, currency, medallions, or gold or silver
2 coinage issued by the State of Illinois, the government of the
3 United States of America, or the government of any foreign
4 country, and bullion.

5 (5) Until July 1, 2003 and beginning again on September 1,
6 2004 through August 30, 2014, graphic arts machinery and
7 equipment, including repair and replacement parts, both new
8 and used, and including that manufactured on special order or
9 purchased for lease, certified by the purchaser to be used
10 primarily for graphic arts production. Equipment includes
11 chemicals or chemicals acting as catalysts but only if the
12 chemicals or chemicals acting as catalysts effect a direct and
13 immediate change upon a graphic arts product. Beginning on
14 July 1, 2017, graphic arts machinery and equipment is included
15 in the manufacturing and assembling machinery and equipment
16 exemption under Section 2 of this Act.

17 (6) Personal property sold by a teacher-sponsored student
18 organization affiliated with an elementary or secondary school
19 located in Illinois.

20 (7) Farm machinery and equipment, both new and used,
21 including that manufactured on special order, certified by the
22 purchaser to be used primarily for production agriculture or
23 State or federal agricultural programs, including individual
24 replacement parts for the machinery and equipment, including
25 machinery and equipment purchased for lease, and including
26 implements of husbandry defined in Section 1-130 of the

1 Illinois Vehicle Code, farm machinery and agricultural
2 chemical and fertilizer spreaders, and nurse wagons required
3 to be registered under Section 3-809 of the Illinois Vehicle
4 Code, but excluding other motor vehicles required to be
5 registered under the Illinois Vehicle Code. Horticultural
6 polyhouses or hoop houses used for propagating, growing, or
7 overwintering plants shall be considered farm machinery and
8 equipment under this item (7). Agricultural chemical tender
9 tanks and dry boxes shall include units sold separately from a
10 motor vehicle required to be licensed and units sold mounted
11 on a motor vehicle required to be licensed if the selling price
12 of the tender is separately stated.

13 Farm machinery and equipment shall include precision
14 farming equipment that is installed or purchased to be
15 installed on farm machinery and equipment including, but not
16 limited to, tractors, harvesters, sprayers, planters, seeders,
17 or spreaders. Precision farming equipment includes, but is not
18 limited to, soil testing sensors, computers, monitors,
19 software, global positioning and mapping systems, and other
20 such equipment.

21 Farm machinery and equipment also includes computers,
22 sensors, software, and related equipment used primarily in the
23 computer-assisted operation of production agriculture
24 facilities, equipment, and activities such as, but not limited
25 to, the collection, monitoring, and correlation of animal and
26 crop data for the purpose of formulating animal diets and

1 agricultural chemicals. This item (7) is exempt from the
2 provisions of Section 3-55.

3 (8) Until June 30, 2013, fuel and petroleum products sold
4 to or used by an air common carrier, certified by the carrier
5 to be used for consumption, shipment, or storage in the
6 conduct of its business as an air common carrier, for a flight
7 destined for or returning from a location or locations outside
8 the United States without regard to previous or subsequent
9 domestic stopovers.

10 Beginning July 1, 2013, fuel and petroleum products sold
11 to or used by an air carrier, certified by the carrier to be
12 used for consumption, shipment, or storage in the conduct of
13 its business as an air common carrier, for a flight that (i) is
14 engaged in foreign trade or is engaged in trade between the
15 United States and any of its possessions and (ii) transports
16 at least one individual or package for hire from the city of
17 origination to the city of final destination on the same
18 aircraft, without regard to a change in the flight number of
19 that aircraft.

20 (9) Proceeds of mandatory service charges separately
21 stated on customers' bills for the purchase and consumption of
22 food and beverages, to the extent that the proceeds of the
23 service charge are in fact turned over as tips or as a
24 substitute for tips to the employees who participate directly
25 in preparing, serving, hosting or cleaning up the food or
26 beverage function with respect to which the service charge is

1 imposed.

2 (10) Until July 1, 2003, oil field exploration, drilling,
3 and production equipment, including (i) rigs and parts of
4 rigs, rotary rigs, cable tool rigs, and workover rigs, (ii)
5 pipe and tubular goods, including casing and drill strings,
6 (iii) pumps and pump-jack units, (iv) storage tanks and flow
7 lines, (v) any individual replacement part for oil field
8 exploration, drilling, and production equipment, and (vi)
9 machinery and equipment purchased for lease; but excluding
10 motor vehicles required to be registered under the Illinois
11 Vehicle Code.

12 (11) Photoprocessing machinery and equipment, including
13 repair and replacement parts, both new and used, including
14 that manufactured on special order, certified by the purchaser
15 to be used primarily for photoprocessing, and including
16 photoprocessing machinery and equipment purchased for lease.

17 (12) Until July 1, 2028 ~~July 1, 2023~~, coal and aggregate
18 exploration, mining, off-highway hauling, processing,
19 maintenance, and reclamation equipment, including replacement
20 parts and equipment, and including equipment purchased for
21 lease, but excluding motor vehicles required to be registered
22 under the Illinois Vehicle Code. The changes made to this
23 Section by Public Act 97-767 apply on and after July 1, 2003,
24 but no claim for credit or refund is allowed on or after August
25 16, 2013 (the effective date of Public Act 98-456) for such
26 taxes paid during the period beginning July 1, 2003 and ending

1 on August 16, 2013 (the effective date of Public Act 98-456).

2 (13) Beginning January 1, 1992 and through June 30, 2016,
3 food for human consumption that is to be consumed off the
4 premises where it is sold (other than alcoholic beverages,
5 soft drinks and food that has been prepared for immediate
6 consumption) and prescription and non-prescription medicines,
7 drugs, medical appliances, and insulin, urine testing
8 materials, syringes, and needles used by diabetics, for human
9 use, when purchased for use by a person receiving medical
10 assistance under Article V of the Illinois Public Aid Code who
11 resides in a licensed long-term care facility, as defined in
12 the Nursing Home Care Act, or in a licensed facility as defined
13 in the ID/DD Community Care Act, the MC/DD Act, or the
14 Specialized Mental Health Rehabilitation Act of 2013.

15 (14) Semen used for artificial insemination of livestock
16 for direct agricultural production.

17 (15) Horses, or interests in horses, registered with and
18 meeting the requirements of any of the Arabian Horse Club
19 Registry of America, Appaloosa Horse Club, American Quarter
20 Horse Association, United States Trotting Association, or
21 Jockey Club, as appropriate, used for purposes of breeding or
22 racing for prizes. This item (15) is exempt from the
23 provisions of Section 3-55, and the exemption provided for
24 under this item (15) applies for all periods beginning May 30,
25 1995, but no claim for credit or refund is allowed on or after
26 January 1, 2008 (the effective date of Public Act 95-88) for

1 such taxes paid during the period beginning May 30, 2000 and
2 ending on January 1, 2008 (the effective date of Public Act
3 95-88).

4 (16) Computers and communications equipment utilized for
5 any hospital purpose and equipment used in the diagnosis,
6 analysis, or treatment of hospital patients sold to a lessor
7 who leases the equipment, under a lease of one year or longer
8 executed or in effect at the time of the purchase, to a
9 hospital that has been issued an active tax exemption
10 identification number by the Department under Section 1g of
11 the Retailers' Occupation Tax Act.

12 (17) Personal property sold to a lessor who leases the
13 property, under a lease of one year or longer executed or in
14 effect at the time of the purchase, to a governmental body that
15 has been issued an active tax exemption identification number
16 by the Department under Section 1g of the Retailers'
17 Occupation Tax Act.

18 (18) Beginning with taxable years ending on or after
19 December 31, 1995 and ending with taxable years ending on or
20 before December 31, 2004, personal property that is donated
21 for disaster relief to be used in a State or federally declared
22 disaster area in Illinois or bordering Illinois by a
23 manufacturer or retailer that is registered in this State to a
24 corporation, society, association, foundation, or institution
25 that has been issued a sales tax exemption identification
26 number by the Department that assists victims of the disaster

1 who reside within the declared disaster area.

2 (19) Beginning with taxable years ending on or after
3 December 31, 1995 and ending with taxable years ending on or
4 before December 31, 2004, personal property that is used in
5 the performance of infrastructure repairs in this State,
6 including but not limited to municipal roads and streets,
7 access roads, bridges, sidewalks, waste disposal systems,
8 water and sewer line extensions, water distribution and
9 purification facilities, storm water drainage and retention
10 facilities, and sewage treatment facilities, resulting from a
11 State or federally declared disaster in Illinois or bordering
12 Illinois when such repairs are initiated on facilities located
13 in the declared disaster area within 6 months after the
14 disaster.

15 (20) Beginning July 1, 1999, game or game birds sold at a
16 "game breeding and hunting preserve area" as that term is used
17 in the Wildlife Code. This paragraph is exempt from the
18 provisions of Section 3-55.

19 (21) A motor vehicle, as that term is defined in Section
20 1-146 of the Illinois Vehicle Code, that is donated to a
21 corporation, limited liability company, society, association,
22 foundation, or institution that is determined by the
23 Department to be organized and operated exclusively for
24 educational purposes. For purposes of this exemption, "a
25 corporation, limited liability company, society, association,
26 foundation, or institution organized and operated exclusively

1 for educational purposes" means all tax-supported public
2 schools, private schools that offer systematic instruction in
3 useful branches of learning by methods common to public
4 schools and that compare favorably in their scope and
5 intensity with the course of study presented in tax-supported
6 schools, and vocational or technical schools or institutes
7 organized and operated exclusively to provide a course of
8 study of not less than 6 weeks duration and designed to prepare
9 individuals to follow a trade or to pursue a manual,
10 technical, mechanical, industrial, business, or commercial
11 occupation.

12 (22) Beginning January 1, 2000, personal property,
13 including food, purchased through fundraising events for the
14 benefit of a public or private elementary or secondary school,
15 a group of those schools, or one or more school districts if
16 the events are sponsored by an entity recognized by the school
17 district that consists primarily of volunteers and includes
18 parents and teachers of the school children. This paragraph
19 does not apply to fundraising events (i) for the benefit of
20 private home instruction or (ii) for which the fundraising
21 entity purchases the personal property sold at the events from
22 another individual or entity that sold the property for the
23 purpose of resale by the fundraising entity and that profits
24 from the sale to the fundraising entity. This paragraph is
25 exempt from the provisions of Section 3-55.

26 (23) Beginning January 1, 2000 and through December 31,

1 2001, new or used automatic vending machines that prepare and
2 serve hot food and beverages, including coffee, soup, and
3 other items, and replacement parts for these machines.
4 Beginning January 1, 2002 and through June 30, 2003, machines
5 and parts for machines used in commercial, coin-operated
6 amusement and vending business if a use or occupation tax is
7 paid on the gross receipts derived from the use of the
8 commercial, coin-operated amusement and vending machines. This
9 paragraph is exempt from the provisions of Section 3-55.

10 (24) Beginning on August 2, 2001 (the effective date of
11 Public Act 92-227), computers and communications equipment
12 utilized for any hospital purpose and equipment used in the
13 diagnosis, analysis, or treatment of hospital patients sold to
14 a lessor who leases the equipment, under a lease of one year or
15 longer executed or in effect at the time of the purchase, to a
16 hospital that has been issued an active tax exemption
17 identification number by the Department under Section 1g of
18 the Retailers' Occupation Tax Act. This paragraph is exempt
19 from the provisions of Section 3-55.

20 (25) Beginning on August 2, 2001 (the effective date of
21 Public Act 92-227), personal property sold to a lessor who
22 leases the property, under a lease of one year or longer
23 executed or in effect at the time of the purchase, to a
24 governmental body that has been issued an active tax exemption
25 identification number by the Department under Section 1g of
26 the Retailers' Occupation Tax Act. This paragraph is exempt

1 from the provisions of Section 3-55.

2 (26) Beginning on January 1, 2002 and through June 30,
3 2016, tangible personal property purchased from an Illinois
4 retailer by a taxpayer engaged in centralized purchasing
5 activities in Illinois who will, upon receipt of the property
6 in Illinois, temporarily store the property in Illinois (i)
7 for the purpose of subsequently transporting it outside this
8 State for use or consumption thereafter solely outside this
9 State or (ii) for the purpose of being processed, fabricated,
10 or manufactured into, attached to, or incorporated into other
11 tangible personal property to be transported outside this
12 State and thereafter used or consumed solely outside this
13 State. The Director of Revenue shall, pursuant to rules
14 adopted in accordance with the Illinois Administrative
15 Procedure Act, issue a permit to any taxpayer in good standing
16 with the Department who is eligible for the exemption under
17 this paragraph (26). The permit issued under this paragraph
18 (26) shall authorize the holder, to the extent and in the
19 manner specified in the rules adopted under this Act, to
20 purchase tangible personal property from a retailer exempt
21 from the taxes imposed by this Act. Taxpayers shall maintain
22 all necessary books and records to substantiate the use and
23 consumption of all such tangible personal property outside of
24 the State of Illinois.

25 (27) Beginning January 1, 2008, tangible personal property
26 used in the construction or maintenance of a community water

1 supply, as defined under Section 3.145 of the Environmental
2 Protection Act, that is operated by a not-for-profit
3 corporation that holds a valid water supply permit issued
4 under Title IV of the Environmental Protection Act. This
5 paragraph is exempt from the provisions of Section 3-55.

6 (28) Tangible personal property sold to a
7 public-facilities corporation, as described in Section
8 11-65-10 of the Illinois Municipal Code, for purposes of
9 constructing or furnishing a municipal convention hall, but
10 only if the legal title to the municipal convention hall is
11 transferred to the municipality without any further
12 consideration by or on behalf of the municipality at the time
13 of the completion of the municipal convention hall or upon the
14 retirement or redemption of any bonds or other debt
15 instruments issued by the public-facilities corporation in
16 connection with the development of the municipal convention
17 hall. This exemption includes existing public-facilities
18 corporations as provided in Section 11-65-25 of the Illinois
19 Municipal Code. This paragraph is exempt from the provisions
20 of Section 3-55.

21 (29) Beginning January 1, 2010 and continuing through
22 December 31, 2024, materials, parts, equipment, components,
23 and furnishings incorporated into or upon an aircraft as part
24 of the modification, refurbishment, completion, replacement,
25 repair, or maintenance of the aircraft. This exemption
26 includes consumable supplies used in the modification,

1 refurbishment, completion, replacement, repair, and
2 maintenance of aircraft, but excludes any materials, parts,
3 equipment, components, and consumable supplies used in the
4 modification, replacement, repair, and maintenance of aircraft
5 engines or power plants, whether such engines or power plants
6 are installed or uninstalled upon any such aircraft.
7 "Consumable supplies" include, but are not limited to,
8 adhesive, tape, sandpaper, general purpose lubricants,
9 cleaning solution, latex gloves, and protective films. This
10 exemption applies only to the transfer of qualifying tangible
11 personal property incident to the modification, refurbishment,
12 completion, replacement, repair, or maintenance of an aircraft
13 by persons who (i) hold an Air Agency Certificate and are
14 empowered to operate an approved repair station by the Federal
15 Aviation Administration, (ii) have a Class IV Rating, and
16 (iii) conduct operations in accordance with Part 145 of the
17 Federal Aviation Regulations. The exemption does not include
18 aircraft operated by a commercial air carrier providing
19 scheduled passenger air service pursuant to authority issued
20 under Part 121 or Part 129 of the Federal Aviation
21 Regulations. The changes made to this paragraph (29) by Public
22 Act 98-534 are declarative of existing law. It is the intent of
23 the General Assembly that the exemption under this paragraph
24 (29) applies continuously from January 1, 2010 through
25 December 31, 2024; however, no claim for credit or refund is
26 allowed for taxes paid as a result of the disallowance of this

1 exemption on or after January 1, 2015 and prior to the
2 effective date of this amendatory Act of the 101st General
3 Assembly.

4 (30) Beginning January 1, 2017 and through December 31,
5 2026, menstrual pads, tampons, and menstrual cups.

6 (31) Tangible personal property transferred to a purchaser
7 who is exempt from tax by operation of federal law. This
8 paragraph is exempt from the provisions of Section 3-55.

9 (32) Qualified tangible personal property used in the
10 construction or operation of a data center that has been
11 granted a certificate of exemption by the Department of
12 Commerce and Economic Opportunity, whether that tangible
13 personal property is purchased by the owner, operator, or
14 tenant of the data center or by a contractor or subcontractor
15 of the owner, operator, or tenant. Data centers that would
16 have qualified for a certificate of exemption prior to January
17 1, 2020 had this amendatory Act of the 101st General Assembly
18 been in effect, may apply for and obtain an exemption for
19 subsequent purchases of computer equipment or enabling
20 software purchased or leased to upgrade, supplement, or
21 replace computer equipment or enabling software purchased or
22 leased in the original investment that would have qualified.

23 The Department of Commerce and Economic Opportunity shall
24 grant a certificate of exemption under this item (32) to
25 qualified data centers as defined by Section 605-1025 of the
26 Department of Commerce and Economic Opportunity Law of the

1 Civil Administrative Code of Illinois.

2 For the purposes of this item (32):

3 "Data center" means a building or a series of
4 buildings rehabilitated or constructed to house working
5 servers in one physical location or multiple sites within
6 the State of Illinois.

7 "Qualified tangible personal property" means:
8 electrical systems and equipment; climate control and
9 chilling equipment and systems; mechanical systems and
10 equipment; monitoring and secure systems; emergency
11 generators; hardware; computers; servers; data storage
12 devices; network connectivity equipment; racks; cabinets;
13 telecommunications cabling infrastructure; raised floor
14 systems; peripheral components or systems; software;
15 mechanical, electrical, or plumbing systems; battery
16 systems; cooling systems and towers; temperature control
17 systems; other cabling; and other data center
18 infrastructure equipment and systems necessary to operate
19 qualified tangible personal property, including fixtures;
20 and component parts of any of the foregoing, including
21 installation, maintenance, repair, refurbishment, and
22 replacement of qualified tangible personal property to
23 generate, transform, transmit, distribute, or manage
24 electricity necessary to operate qualified tangible
25 personal property; and all other tangible personal
26 property that is essential to the operations of a computer

1 data center. The term "qualified tangible personal
2 property" also includes building materials physically
3 incorporated in to the qualifying data center. To document
4 the exemption allowed under this Section, the retailer
5 must obtain from the purchaser a copy of the certificate
6 of eligibility issued by the Department of Commerce and
7 Economic Opportunity.

8 This item (32) is exempt from the provisions of Section
9 3-55.

10 (Source: P.A. 101-31, eff. 6-28-19; 101-81, eff. 7-12-19;
11 101-629, eff. 2-5-20; 102-16, eff. 6-17-21.)

12 Section 75-20. The Retailers' Occupation Tax Act is
13 amended by changing Section 2-5 as follows:

14 (35 ILCS 120/2-5)

15 Sec. 2-5. Exemptions. Gross receipts from proceeds from
16 the sale of the following tangible personal property are
17 exempt from the tax imposed by this Act:

18 (1) Farm chemicals.

19 (2) Farm machinery and equipment, both new and used,
20 including that manufactured on special order, certified by
21 the purchaser to be used primarily for production
22 agriculture or State or federal agricultural programs,
23 including individual replacement parts for the machinery
24 and equipment, including machinery and equipment purchased

1 for lease, and including implements of husbandry defined
2 in Section 1-130 of the Illinois Vehicle Code, farm
3 machinery and agricultural chemical and fertilizer
4 spreaders, and nurse wagons required to be registered
5 under Section 3-809 of the Illinois Vehicle Code, but
6 excluding other motor vehicles required to be registered
7 under the Illinois Vehicle Code. Horticultural polyhouses
8 or hoop houses used for propagating, growing, or
9 overwintering plants shall be considered farm machinery
10 and equipment under this item (2). Agricultural chemical
11 tender tanks and dry boxes shall include units sold
12 separately from a motor vehicle required to be licensed
13 and units sold mounted on a motor vehicle required to be
14 licensed, if the selling price of the tender is separately
15 stated.

16 Farm machinery and equipment shall include precision
17 farming equipment that is installed or purchased to be
18 installed on farm machinery and equipment including, but
19 not limited to, tractors, harvesters, sprayers, planters,
20 seeders, or spreaders. Precision farming equipment
21 includes, but is not limited to, soil testing sensors,
22 computers, monitors, software, global positioning and
23 mapping systems, and other such equipment.

24 Farm machinery and equipment also includes computers,
25 sensors, software, and related equipment used primarily in
26 the computer-assisted operation of production agriculture

1 facilities, equipment, and activities such as, but not
2 limited to, the collection, monitoring, and correlation of
3 animal and crop data for the purpose of formulating animal
4 diets and agricultural chemicals. This item (2) is exempt
5 from the provisions of Section 2-70.

6 (3) Until July 1, 2003, distillation machinery and
7 equipment, sold as a unit or kit, assembled or installed
8 by the retailer, certified by the user to be used only for
9 the production of ethyl alcohol that will be used for
10 consumption as motor fuel or as a component of motor fuel
11 for the personal use of the user, and not subject to sale
12 or resale.

13 (4) Until July 1, 2003 and beginning again September
14 1, 2004 through August 30, 2014, graphic arts machinery
15 and equipment, including repair and replacement parts,
16 both new and used, and including that manufactured on
17 special order or purchased for lease, certified by the
18 purchaser to be used primarily for graphic arts
19 production. Equipment includes chemicals or chemicals
20 acting as catalysts but only if the chemicals or chemicals
21 acting as catalysts effect a direct and immediate change
22 upon a graphic arts product. Beginning on July 1, 2017,
23 graphic arts machinery and equipment is included in the
24 manufacturing and assembling machinery and equipment
25 exemption under paragraph (14).

26 (5) A motor vehicle that is used for automobile

1 renting, as defined in the Automobile Renting Occupation
2 and Use Tax Act. This paragraph is exempt from the
3 provisions of Section 2-70.

4 (6) Personal property sold by a teacher-sponsored
5 student organization affiliated with an elementary or
6 secondary school located in Illinois.

7 (7) Until July 1, 2003, proceeds of that portion of
8 the selling price of a passenger car the sale of which is
9 subject to the Replacement Vehicle Tax.

10 (8) Personal property sold to an Illinois county fair
11 association for use in conducting, operating, or promoting
12 the county fair.

13 (9) Personal property sold to a not-for-profit arts or
14 cultural organization that establishes, by proof required
15 by the Department by rule, that it has received an
16 exemption under Section 501(c)(3) of the Internal Revenue
17 Code and that is organized and operated primarily for the
18 presentation or support of arts or cultural programming,
19 activities, or services. These organizations include, but
20 are not limited to, music and dramatic arts organizations
21 such as symphony orchestras and theatrical groups, arts
22 and cultural service organizations, local arts councils,
23 visual arts organizations, and media arts organizations.
24 On and after July 1, 2001 (the effective date of Public Act
25 92-35), however, an entity otherwise eligible for this
26 exemption shall not make tax-free purchases unless it has

1 an active identification number issued by the Department.

2 (10) Personal property sold by a corporation, society,
3 association, foundation, institution, or organization,
4 other than a limited liability company, that is organized
5 and operated as a not-for-profit service enterprise for
6 the benefit of persons 65 years of age or older if the
7 personal property was not purchased by the enterprise for
8 the purpose of resale by the enterprise.

9 (11) Personal property sold to a governmental body, to
10 a corporation, society, association, foundation, or
11 institution organized and operated exclusively for
12 charitable, religious, or educational purposes, or to a
13 not-for-profit corporation, society, association,
14 foundation, institution, or organization that has no
15 compensated officers or employees and that is organized
16 and operated primarily for the recreation of persons 55
17 years of age or older. A limited liability company may
18 qualify for the exemption under this paragraph only if the
19 limited liability company is organized and operated
20 exclusively for educational purposes. On and after July 1,
21 1987, however, no entity otherwise eligible for this
22 exemption shall make tax-free purchases unless it has an
23 active identification number issued by the Department.

24 (12) (Blank).

25 (12-5) On and after July 1, 2003 and through June 30,
26 2004, motor vehicles of the second division with a gross

1 vehicle weight in excess of 8,000 pounds that are subject
2 to the commercial distribution fee imposed under Section
3 3-815.1 of the Illinois Vehicle Code. Beginning on July 1,
4 2004 and through June 30, 2005, the use in this State of
5 motor vehicles of the second division: (i) with a gross
6 vehicle weight rating in excess of 8,000 pounds; (ii) that
7 are subject to the commercial distribution fee imposed
8 under Section 3-815.1 of the Illinois Vehicle Code; and
9 (iii) that are primarily used for commercial purposes.
10 Through June 30, 2005, this exemption applies to repair
11 and replacement parts added after the initial purchase of
12 such a motor vehicle if that motor vehicle is used in a
13 manner that would qualify for the rolling stock exemption
14 otherwise provided for in this Act. For purposes of this
15 paragraph, "used for commercial purposes" means the
16 transportation of persons or property in furtherance of
17 any commercial or industrial enterprise whether for-hire
18 or not.

19 (13) Proceeds from sales to owners, lessors, or
20 shippers of tangible personal property that is utilized by
21 interstate carriers for hire for use as rolling stock
22 moving in interstate commerce and equipment operated by a
23 telecommunications provider, licensed as a common carrier
24 by the Federal Communications Commission, which is
25 permanently installed in or affixed to aircraft moving in
26 interstate commerce.

1 (14) Machinery and equipment that will be used by the
2 purchaser, or a lessee of the purchaser, primarily in the
3 process of manufacturing or assembling tangible personal
4 property for wholesale or retail sale or lease, whether
5 the sale or lease is made directly by the manufacturer or
6 by some other person, whether the materials used in the
7 process are owned by the manufacturer or some other
8 person, or whether the sale or lease is made apart from or
9 as an incident to the seller's engaging in the service
10 occupation of producing machines, tools, dies, jigs,
11 patterns, gauges, or other similar items of no commercial
12 value on special order for a particular purchaser. The
13 exemption provided by this paragraph (14) does not include
14 machinery and equipment used in (i) the generation of
15 electricity for wholesale or retail sale; (ii) the
16 generation or treatment of natural or artificial gas for
17 wholesale or retail sale that is delivered to customers
18 through pipes, pipelines, or mains; or (iii) the treatment
19 of water for wholesale or retail sale that is delivered to
20 customers through pipes, pipelines, or mains. The
21 provisions of Public Act 98-583 are declaratory of
22 existing law as to the meaning and scope of this
23 exemption. Beginning on July 1, 2017, the exemption
24 provided by this paragraph (14) includes, but is not
25 limited to, graphic arts machinery and equipment, as
26 defined in paragraph (4) of this Section.

1 (15) Proceeds of mandatory service charges separately
2 stated on customers' bills for purchase and consumption of
3 food and beverages, to the extent that the proceeds of the
4 service charge are in fact turned over as tips or as a
5 substitute for tips to the employees who participate
6 directly in preparing, serving, hosting or cleaning up the
7 food or beverage function with respect to which the
8 service charge is imposed.

9 (16) Tangible personal property sold to a purchaser if
10 the purchaser is exempt from use tax by operation of
11 federal law. This paragraph is exempt from the provisions
12 of Section 2-70.

13 (17) Tangible personal property sold to a common
14 carrier by rail or motor that receives the physical
15 possession of the property in Illinois and that transports
16 the property, or shares with another common carrier in the
17 transportation of the property, out of Illinois on a
18 standard uniform bill of lading showing the seller of the
19 property as the shipper or consignor of the property to a
20 destination outside Illinois, for use outside Illinois.

21 (18) Legal tender, currency, medallions, or gold or
22 silver coinage issued by the State of Illinois, the
23 government of the United States of America, or the
24 government of any foreign country, and bullion.

25 (19) Until July 1, 2003, oil field exploration,
26 drilling, and production equipment, including (i) rigs and

1 parts of rigs, rotary rigs, cable tool rigs, and workover
2 rigs, (ii) pipe and tubular goods, including casing and
3 drill strings, (iii) pumps and pump-jack units, (iv)
4 storage tanks and flow lines, (v) any individual
5 replacement part for oil field exploration, drilling, and
6 production equipment, and (vi) machinery and equipment
7 purchased for lease; but excluding motor vehicles required
8 to be registered under the Illinois Vehicle Code.

9 (20) Photoprocessing machinery and equipment,
10 including repair and replacement parts, both new and used,
11 including that manufactured on special order, certified by
12 the purchaser to be used primarily for photoprocessing,
13 and including photoprocessing machinery and equipment
14 purchased for lease.

15 (21) Until July 1, 2028 ~~July 1, 2023~~, coal and
16 aggregate exploration, mining, off-highway hauling,
17 processing, maintenance, and reclamation equipment,
18 including replacement parts and equipment, and including
19 equipment purchased for lease, but excluding motor
20 vehicles required to be registered under the Illinois
21 Vehicle Code. The changes made to this Section by Public
22 Act 97-767 apply on and after July 1, 2003, but no claim
23 for credit or refund is allowed on or after August 16, 2013
24 (the effective date of Public Act 98-456) for such taxes
25 paid during the period beginning July 1, 2003 and ending
26 on August 16, 2013 (the effective date of Public Act

1 98-456).

2 (22) Until June 30, 2013, fuel and petroleum products
3 sold to or used by an air carrier, certified by the carrier
4 to be used for consumption, shipment, or storage in the
5 conduct of its business as an air common carrier, for a
6 flight destined for or returning from a location or
7 locations outside the United States without regard to
8 previous or subsequent domestic stopovers.

9 Beginning July 1, 2013, fuel and petroleum products
10 sold to or used by an air carrier, certified by the carrier
11 to be used for consumption, shipment, or storage in the
12 conduct of its business as an air common carrier, for a
13 flight that (i) is engaged in foreign trade or is engaged
14 in trade between the United States and any of its
15 possessions and (ii) transports at least one individual or
16 package for hire from the city of origination to the city
17 of final destination on the same aircraft, without regard
18 to a change in the flight number of that aircraft.

19 (23) A transaction in which the purchase order is
20 received by a florist who is located outside Illinois, but
21 who has a florist located in Illinois deliver the property
22 to the purchaser or the purchaser's donee in Illinois.

23 (24) Fuel consumed or used in the operation of ships,
24 barges, or vessels that are used primarily in or for the
25 transportation of property or the conveyance of persons
26 for hire on rivers bordering on this State if the fuel is

1 delivered by the seller to the purchaser's barge, ship, or
2 vessel while it is afloat upon that bordering river.

3 (25) Except as provided in item (25-5) of this
4 Section, a motor vehicle sold in this State to a
5 nonresident even though the motor vehicle is delivered to
6 the nonresident in this State, if the motor vehicle is not
7 to be titled in this State, and if a drive-away permit is
8 issued to the motor vehicle as provided in Section 3-603
9 of the Illinois Vehicle Code or if the nonresident
10 purchaser has vehicle registration plates to transfer to
11 the motor vehicle upon returning to his or her home state.
12 The issuance of the drive-away permit or having the
13 out-of-state registration plates to be transferred is
14 prima facie evidence that the motor vehicle will not be
15 titled in this State.

16 (25-5) The exemption under item (25) does not apply if
17 the state in which the motor vehicle will be titled does
18 not allow a reciprocal exemption for a motor vehicle sold
19 and delivered in that state to an Illinois resident but
20 titled in Illinois. The tax collected under this Act on
21 the sale of a motor vehicle in this State to a resident of
22 another state that does not allow a reciprocal exemption
23 shall be imposed at a rate equal to the state's rate of tax
24 on taxable property in the state in which the purchaser is
25 a resident, except that the tax shall not exceed the tax
26 that would otherwise be imposed under this Act. At the

1 time of the sale, the purchaser shall execute a statement,
2 signed under penalty of perjury, of his or her intent to
3 title the vehicle in the state in which the purchaser is a
4 resident within 30 days after the sale and of the fact of
5 the payment to the State of Illinois of tax in an amount
6 equivalent to the state's rate of tax on taxable property
7 in his or her state of residence and shall submit the
8 statement to the appropriate tax collection agency in his
9 or her state of residence. In addition, the retailer must
10 retain a signed copy of the statement in his or her
11 records. Nothing in this item shall be construed to
12 require the removal of the vehicle from this state
13 following the filing of an intent to title the vehicle in
14 the purchaser's state of residence if the purchaser titles
15 the vehicle in his or her state of residence within 30 days
16 after the date of sale. The tax collected under this Act in
17 accordance with this item (25-5) shall be proportionately
18 distributed as if the tax were collected at the 6.25%
19 general rate imposed under this Act.

20 (25-7) Beginning on July 1, 2007, no tax is imposed
21 under this Act on the sale of an aircraft, as defined in
22 Section 3 of the Illinois Aeronautics Act, if all of the
23 following conditions are met:

24 (1) the aircraft leaves this State within 15 days
25 after the later of either the issuance of the final
26 billing for the sale of the aircraft, or the

1 authorized approval for return to service, completion
2 of the maintenance record entry, and completion of the
3 test flight and ground test for inspection, as
4 required by 14 C.F.R. 91.407;

5 (2) the aircraft is not based or registered in
6 this State after the sale of the aircraft; and

7 (3) the seller retains in his or her books and
8 records and provides to the Department a signed and
9 dated certification from the purchaser, on a form
10 prescribed by the Department, certifying that the
11 requirements of this item (25-7) are met. The
12 certificate must also include the name and address of
13 the purchaser, the address of the location where the
14 aircraft is to be titled or registered, the address of
15 the primary physical location of the aircraft, and
16 other information that the Department may reasonably
17 require.

18 For purposes of this item (25-7):

19 "Based in this State" means hangared, stored, or
20 otherwise used, excluding post-sale customizations as
21 defined in this Section, for 10 or more days in each
22 12-month period immediately following the date of the sale
23 of the aircraft.

24 "Registered in this State" means an aircraft
25 registered with the Department of Transportation,
26 Aeronautics Division, or titled or registered with the

1 Federal Aviation Administration to an address located in
2 this State.

3 This paragraph (25-7) is exempt from the provisions of
4 Section 2-70.

5 (26) Semen used for artificial insemination of
6 livestock for direct agricultural production.

7 (27) Horses, or interests in horses, registered with
8 and meeting the requirements of any of the Arabian Horse
9 Club Registry of America, Appaloosa Horse Club, American
10 Quarter Horse Association, United States Trotting
11 Association, or Jockey Club, as appropriate, used for
12 purposes of breeding or racing for prizes. This item (27)
13 is exempt from the provisions of Section 2-70, and the
14 exemption provided for under this item (27) applies for
15 all periods beginning May 30, 1995, but no claim for
16 credit or refund is allowed on or after January 1, 2008
17 (the effective date of Public Act 95-88) for such taxes
18 paid during the period beginning May 30, 2000 and ending
19 on January 1, 2008 (the effective date of Public Act
20 95-88).

21 (28) Computers and communications equipment utilized
22 for any hospital purpose and equipment used in the
23 diagnosis, analysis, or treatment of hospital patients
24 sold to a lessor who leases the equipment, under a lease of
25 one year or longer executed or in effect at the time of the
26 purchase, to a hospital that has been issued an active tax

1 exemption identification number by the Department under
2 Section 1g of this Act.

3 (29) Personal property sold to a lessor who leases the
4 property, under a lease of one year or longer executed or
5 in effect at the time of the purchase, to a governmental
6 body that has been issued an active tax exemption
7 identification number by the Department under Section 1g
8 of this Act.

9 (30) Beginning with taxable years ending on or after
10 December 31, 1995 and ending with taxable years ending on
11 or before December 31, 2004, personal property that is
12 donated for disaster relief to be used in a State or
13 federally declared disaster area in Illinois or bordering
14 Illinois by a manufacturer or retailer that is registered
15 in this State to a corporation, society, association,
16 foundation, or institution that has been issued a sales
17 tax exemption identification number by the Department that
18 assists victims of the disaster who reside within the
19 declared disaster area.

20 (31) Beginning with taxable years ending on or after
21 December 31, 1995 and ending with taxable years ending on
22 or before December 31, 2004, personal property that is
23 used in the performance of infrastructure repairs in this
24 State, including but not limited to municipal roads and
25 streets, access roads, bridges, sidewalks, waste disposal
26 systems, water and sewer line extensions, water

1 distribution and purification facilities, storm water
2 drainage and retention facilities, and sewage treatment
3 facilities, resulting from a State or federally declared
4 disaster in Illinois or bordering Illinois when such
5 repairs are initiated on facilities located in the
6 declared disaster area within 6 months after the disaster.

7 (32) Beginning July 1, 1999, game or game birds sold
8 at a "game breeding and hunting preserve area" as that
9 term is used in the Wildlife Code. This paragraph is
10 exempt from the provisions of Section 2-70.

11 (33) A motor vehicle, as that term is defined in
12 Section 1-146 of the Illinois Vehicle Code, that is
13 donated to a corporation, limited liability company,
14 society, association, foundation, or institution that is
15 determined by the Department to be organized and operated
16 exclusively for educational purposes. For purposes of this
17 exemption, "a corporation, limited liability company,
18 society, association, foundation, or institution organized
19 and operated exclusively for educational purposes" means
20 all tax-supported public schools, private schools that
21 offer systematic instruction in useful branches of
22 learning by methods common to public schools and that
23 compare favorably in their scope and intensity with the
24 course of study presented in tax-supported schools, and
25 vocational or technical schools or institutes organized
26 and operated exclusively to provide a course of study of

1 not less than 6 weeks duration and designed to prepare
2 individuals to follow a trade or to pursue a manual,
3 technical, mechanical, industrial, business, or commercial
4 occupation.

5 (34) Beginning January 1, 2000, personal property,
6 including food, purchased through fundraising events for
7 the benefit of a public or private elementary or secondary
8 school, a group of those schools, or one or more school
9 districts if the events are sponsored by an entity
10 recognized by the school district that consists primarily
11 of volunteers and includes parents and teachers of the
12 school children. This paragraph does not apply to
13 fundraising events (i) for the benefit of private home
14 instruction or (ii) for which the fundraising entity
15 purchases the personal property sold at the events from
16 another individual or entity that sold the property for
17 the purpose of resale by the fundraising entity and that
18 profits from the sale to the fundraising entity. This
19 paragraph is exempt from the provisions of Section 2-70.

20 (35) Beginning January 1, 2000 and through December
21 31, 2001, new or used automatic vending machines that
22 prepare and serve hot food and beverages, including
23 coffee, soup, and other items, and replacement parts for
24 these machines. Beginning January 1, 2002 and through June
25 30, 2003, machines and parts for machines used in
26 commercial, coin-operated amusement and vending business

1 if a use or occupation tax is paid on the gross receipts
2 derived from the use of the commercial, coin-operated
3 amusement and vending machines. This paragraph is exempt
4 from the provisions of Section 2-70.

5 (35-5) Beginning August 23, 2001 and through June 30,
6 2016, food for human consumption that is to be consumed
7 off the premises where it is sold (other than alcoholic
8 beverages, soft drinks, and food that has been prepared
9 for immediate consumption) and prescription and
10 nonprescription medicines, drugs, medical appliances, and
11 insulin, urine testing materials, syringes, and needles
12 used by diabetics, for human use, when purchased for use
13 by a person receiving medical assistance under Article V
14 of the Illinois Public Aid Code who resides in a licensed
15 long-term care facility, as defined in the Nursing Home
16 Care Act, or a licensed facility as defined in the ID/DD
17 Community Care Act, the MC/DD Act, or the Specialized
18 Mental Health Rehabilitation Act of 2013.

19 (36) Beginning August 2, 2001, computers and
20 communications equipment utilized for any hospital purpose
21 and equipment used in the diagnosis, analysis, or
22 treatment of hospital patients sold to a lessor who leases
23 the equipment, under a lease of one year or longer
24 executed or in effect at the time of the purchase, to a
25 hospital that has been issued an active tax exemption
26 identification number by the Department under Section 1g

1 of this Act. This paragraph is exempt from the provisions
2 of Section 2-70.

3 (37) Beginning August 2, 2001, personal property sold
4 to a lessor who leases the property, under a lease of one
5 year or longer executed or in effect at the time of the
6 purchase, to a governmental body that has been issued an
7 active tax exemption identification number by the
8 Department under Section 1g of this Act. This paragraph is
9 exempt from the provisions of Section 2-70.

10 (38) Beginning on January 1, 2002 and through June 30,
11 2016, tangible personal property purchased from an
12 Illinois retailer by a taxpayer engaged in centralized
13 purchasing activities in Illinois who will, upon receipt
14 of the property in Illinois, temporarily store the
15 property in Illinois (i) for the purpose of subsequently
16 transporting it outside this State for use or consumption
17 thereafter solely outside this State or (ii) for the
18 purpose of being processed, fabricated, or manufactured
19 into, attached to, or incorporated into other tangible
20 personal property to be transported outside this State and
21 thereafter used or consumed solely outside this State. The
22 Director of Revenue shall, pursuant to rules adopted in
23 accordance with the Illinois Administrative Procedure Act,
24 issue a permit to any taxpayer in good standing with the
25 Department who is eligible for the exemption under this
26 paragraph (38). The permit issued under this paragraph

1 (38) shall authorize the holder, to the extent and in the
2 manner specified in the rules adopted under this Act, to
3 purchase tangible personal property from a retailer exempt
4 from the taxes imposed by this Act. Taxpayers shall
5 maintain all necessary books and records to substantiate
6 the use and consumption of all such tangible personal
7 property outside of the State of Illinois.

8 (39) Beginning January 1, 2008, tangible personal
9 property used in the construction or maintenance of a
10 community water supply, as defined under Section 3.145 of
11 the Environmental Protection Act, that is operated by a
12 not-for-profit corporation that holds a valid water supply
13 permit issued under Title IV of the Environmental
14 Protection Act. This paragraph is exempt from the
15 provisions of Section 2-70.

16 (40) Beginning January 1, 2010 and continuing through
17 December 31, 2024, materials, parts, equipment,
18 components, and furnishings incorporated into or upon an
19 aircraft as part of the modification, refurbishment,
20 completion, replacement, repair, or maintenance of the
21 aircraft. This exemption includes consumable supplies used
22 in the modification, refurbishment, completion,
23 replacement, repair, and maintenance of aircraft, but
24 excludes any materials, parts, equipment, components, and
25 consumable supplies used in the modification, replacement,
26 repair, and maintenance of aircraft engines or power

1 plants, whether such engines or power plants are installed
2 or uninstalled upon any such aircraft. "Consumable
3 supplies" include, but are not limited to, adhesive, tape,
4 sandpaper, general purpose lubricants, cleaning solution,
5 latex gloves, and protective films. This exemption applies
6 only to the sale of qualifying tangible personal property
7 to persons who modify, refurbish, complete, replace, or
8 maintain an aircraft and who (i) hold an Air Agency
9 Certificate and are empowered to operate an approved
10 repair station by the Federal Aviation Administration,
11 (ii) have a Class IV Rating, and (iii) conduct operations
12 in accordance with Part 145 of the Federal Aviation
13 Regulations. The exemption does not include aircraft
14 operated by a commercial air carrier providing scheduled
15 passenger air service pursuant to authority issued under
16 Part 121 or Part 129 of the Federal Aviation Regulations.
17 The changes made to this paragraph (40) by Public Act
18 98-534 are declarative of existing law. It is the intent
19 of the General Assembly that the exemption under this
20 paragraph (40) applies continuously from January 1, 2010
21 through December 31, 2024; however, no claim for credit or
22 refund is allowed for taxes paid as a result of the
23 disallowance of this exemption on or after January 1, 2015
24 and prior to the effective date of this amendatory Act of
25 the 101st General Assembly.

26 (41) Tangible personal property sold to a

1 public-facilities corporation, as described in Section
2 11-65-10 of the Illinois Municipal Code, for purposes of
3 constructing or furnishing a municipal convention hall,
4 but only if the legal title to the municipal convention
5 hall is transferred to the municipality without any
6 further consideration by or on behalf of the municipality
7 at the time of the completion of the municipal convention
8 hall or upon the retirement or redemption of any bonds or
9 other debt instruments issued by the public-facilities
10 corporation in connection with the development of the
11 municipal convention hall. This exemption includes
12 existing public-facilities corporations as provided in
13 Section 11-65-25 of the Illinois Municipal Code. This
14 paragraph is exempt from the provisions of Section 2-70.

15 (42) Beginning January 1, 2017 and through December
16 31, 2026, menstrual pads, tampons, and menstrual cups.

17 (43) Merchandise that is subject to the Rental
18 Purchase Agreement Occupation and Use Tax. The purchaser
19 must certify that the item is purchased to be rented
20 subject to a rental purchase agreement, as defined in the
21 Rental Purchase Agreement Act, and provide proof of
22 registration under the Rental Purchase Agreement
23 Occupation and Use Tax Act. This paragraph is exempt from
24 the provisions of Section 2-70.

25 (44) Qualified tangible personal property used in the
26 construction or operation of a data center that has been

1 granted a certificate of exemption by the Department of
2 Commerce and Economic Opportunity, whether that tangible
3 personal property is purchased by the owner, operator, or
4 tenant of the data center or by a contractor or
5 subcontractor of the owner, operator, or tenant. Data
6 centers that would have qualified for a certificate of
7 exemption prior to January 1, 2020 had this amendatory Act
8 of the 101st General Assembly been in effect, may apply
9 for and obtain an exemption for subsequent purchases of
10 computer equipment or enabling software purchased or
11 leased to upgrade, supplement, or replace computer
12 equipment or enabling software purchased or leased in the
13 original investment that would have qualified.

14 The Department of Commerce and Economic Opportunity
15 shall grant a certificate of exemption under this item
16 (44) to qualified data centers as defined by Section
17 605-1025 of the Department of Commerce and Economic
18 Opportunity Law of the Civil Administrative Code of
19 Illinois.

20 For the purposes of this item (44):

21 "Data center" means a building or a series of
22 buildings rehabilitated or constructed to house
23 working servers in one physical location or multiple
24 sites within the State of Illinois.

25 "Qualified tangible personal property" means:
26 electrical systems and equipment; climate control and

1 chilling equipment and systems; mechanical systems and
2 equipment; monitoring and secure systems; emergency
3 generators; hardware; computers; servers; data storage
4 devices; network connectivity equipment; racks;
5 cabinets; telecommunications cabling infrastructure;
6 raised floor systems; peripheral components or
7 systems; software; mechanical, electrical, or plumbing
8 systems; battery systems; cooling systems and towers;
9 temperature control systems; other cabling; and other
10 data center infrastructure equipment and systems
11 necessary to operate qualified tangible personal
12 property, including fixtures; and component parts of
13 any of the foregoing, including installation,
14 maintenance, repair, refurbishment, and replacement of
15 qualified tangible personal property to generate,
16 transform, transmit, distribute, or manage electricity
17 necessary to operate qualified tangible personal
18 property; and all other tangible personal property
19 that is essential to the operations of a computer data
20 center. The term "qualified tangible personal
21 property" also includes building materials physically
22 incorporated into ~~in to~~ the qualifying data center. To
23 document the exemption allowed under this Section, the
24 retailer must obtain from the purchaser a copy of the
25 certificate of eligibility issued by the Department of
26 Commerce and Economic Opportunity.

1 This item (44) is exempt from the provisions of
2 Section 2-70.

3 (45) Beginning January 1, 2020 and through December
4 31, 2020, sales of tangible personal property made by a
5 marketplace seller over a marketplace for which tax is due
6 under this Act but for which use tax has been collected and
7 remitted to the Department by a marketplace facilitator
8 under Section 2d of the Use Tax Act are exempt from tax
9 under this Act. A marketplace seller claiming this
10 exemption shall maintain books and records demonstrating
11 that the use tax on such sales has been collected and
12 remitted by a marketplace facilitator. Marketplace sellers
13 that have properly remitted tax under this Act on such
14 sales may file a claim for credit as provided in Section 6
15 of this Act. No claim is allowed, however, for such taxes
16 for which a credit or refund has been issued to the
17 marketplace facilitator under the Use Tax Act, or for
18 which the marketplace facilitator has filed a claim for
19 credit or refund under the Use Tax Act.

20 (Source: P.A. 101-31, eff. 6-28-19; 101-81, eff. 7-12-19;
21 101-629, eff. 2-5-20; 102-16, eff. 6-17-21; 102-634, eff.
22 8-27-21; revised 11-9-21.)

23 ARTICLE 80. STATE FINANCE ACT

24 Section 80-5. The State Finance Act is amended by changing

1 Section 8g-1 as follows:

2 (30 ILCS 105/8g-1)

3 Sec. 8g-1. Fund transfers.

4 (a) (Blank) .

5 (b) (Blank) .

6 (c) (Blank) .

7 (d) (Blank) .

8 (e) (Blank) .

9 (f) (Blank) .

10 (g) (Blank) .

11 (h) (Blank) .

12 (i) (Blank) .

13 (j) (Blank) .

14 (k) (Blank) .

15 (l) (Blank) .

16 (m) (Blank) .

17 (n) (Blank) .

18 (o) (Blank) .

19 (p) (Blank) .

20 (q) (Blank) .

21 (r) (Blank) .

22 (s) (Blank) .

23 (t) (Blank) .

24 (u) In addition to any other transfers that may be
25 provided for by law, on July 1, 2021, or as soon thereafter as

1 practical, only as directed by the Director of the Governor's
2 Office of Management and Budget, the State Comptroller shall
3 direct and the State Treasurer shall transfer the sum of
4 \$5,000,000 from the General Revenue Fund to the DoIT Special
5 Projects Fund, and on June 1, 2022, or as soon thereafter as
6 practical, but no later than June 30, 2022, the State
7 Comptroller shall direct and the State Treasurer shall
8 transfer the sum so transferred from the DoIT Special Projects
9 Fund to the General Revenue Fund.

10 (v) In addition to any other transfers that may be
11 provided for by law, on July 1, 2021, or as soon thereafter as
12 practical, the State Comptroller shall direct and the State
13 Treasurer shall transfer the sum of \$500,000 from the General
14 Revenue Fund to the Governor's Administrative Fund.

15 (w) In addition to any other transfers that may be
16 provided for by law, on July 1, 2021, or as soon thereafter as
17 practical, the State Comptroller shall direct and the State
18 Treasurer shall transfer the sum of \$500,000 from the General
19 Revenue Fund to the Grant Accountability and Transparency
20 Fund.

21 (x) In addition to any other transfers that may be
22 provided for by law, at a time or times during Fiscal Year 2022
23 as directed by the Governor, the State Comptroller shall
24 direct and the State Treasurer shall transfer up to a total of
25 \$20,000,000 from the General Revenue Fund to the Illinois
26 Sports Facilities Fund to be credited to the Advance Account

1 within the Fund.

2 (y) In addition to any other transfers that may be
3 provided for by law, on June 15, 2021, or as soon thereafter as
4 practical, but no later than June 30, 2021, the State
5 Comptroller shall direct and the State Treasurer shall
6 transfer the sum of \$100,000,000 from the General Revenue Fund
7 to the Technology Management Revolving Fund.

8 (z) In addition to any other transfers that may be
9 provided for by law, on the effective date of this amendatory
10 Act of the 102nd General Assembly, or as soon thereafter as
11 practical, but no later than June 30, 2022, the State
12 Comptroller shall direct and the State Treasurer shall
13 transfer the sum of \$720,000,000 from the General Revenue Fund
14 to the Budget Stabilization Fund.

15 (aa) In addition to any other transfers that may be
16 provided for by law, on July 1, 2022, or as soon thereafter as
17 practical, the State Comptroller shall direct and the State
18 Treasurer shall transfer the sum of \$280,000,000 from the
19 General Revenue Fund to the Budget Stabilization Fund.

20 (bb) In addition to any other transfers that may be
21 provided for by law, on July 1, 2022, or as soon thereafter as
22 practical, the State Comptroller shall direct and the State
23 Treasurer shall transfer the sum of \$200,000,000 from the
24 General Revenue Fund to the Pension Stabilization Fund.

25 (Source: P.A. 101-10, eff. 6-5-19; 101-636, eff. 6-10-20;
26 102-16, eff. 6-17-21.)

1 ARTICLE 85. INCOME TAX-INSTRUCTIONAL MATERIALS

2 Section 85-5. The Illinois Income Tax Act is amended by
3 changing Section 225 as follows:

4 (35 ILCS 5/225)

5 Sec. 225. Credit for instructional materials and supplies.
6 For taxable years beginning on and after January 1, 2017, a
7 taxpayer shall be allowed a credit in the amount paid by the
8 taxpayer during the taxable year for instructional materials
9 and supplies with respect to classroom based instruction in a
10 qualified school, or the maximum credit amount ~~\$250~~, whichever
11 is less, provided that the taxpayer is a teacher, instructor,
12 counselor, principal, or aide in a qualified school for at
13 least 900 hours during a school year.

14 The credit may not be carried back and may not reduce the
15 taxpayer's liability to less than zero. If the amount of the
16 credit exceeds the tax liability for the year, the excess may
17 be carried forward and applied to the tax liability of the 5
18 taxable years following the excess credit year. The tax credit
19 shall be applied to the earliest year for which there is a tax
20 liability. If there are credits for more than one year that are
21 available to offset a liability, the earlier credit shall be
22 applied first.

23 For purposes of this Section, the term "materials and

1 supplies" means amounts paid for instructional materials or
2 supplies that are designated for classroom use in any
3 qualified school. For purposes of this Section, the term
4 "qualified school" means a public school or non-public school
5 located in Illinois.

6 For purposes of this Section, the term "maximum credit
7 amount" means (i) \$250 for taxable years beginning prior to
8 January 1, 2023 and (ii) \$500 for taxable years beginning on or
9 after January 1, 2023.

10 This Section is exempt from the provisions of Section 250.
11 (Source: P.A. 100-22, eff. 7-6-17.)

12 ARTICLE 95. AGRITOURISM

13 Section 95-3. The Illinois Administrative Procedure Act is
14 amended by adding Section 5-45.22 as follows:

15 (5 ILCS 100/5-45.22 new)

16 Sec. 5-45.22. Emergency rulemaking. To provide for the
17 expeditious and timely implementation of Article 95 of this
18 amendatory Act of the 102nd General Assembly, emergency rules
19 implementing Article 95 of this amendatory Act of the 102nd
20 General Assembly may be adopted in accordance with Section
21 5-45 by the Department of Agriculture. The adoption of
22 emergency rules authorized by Section 5-45 and this Section is
23 deemed to be necessary for the public interest, safety, and

1 welfare.

2 This Section is repealed one year after the effective date
3 of this amendatory Act of the 102nd General Assembly.

4 Section 95-5. The Illinois Income Tax Act is amended by
5 adding Section 232 as follows:

6 (35 ILCS 5/232 new)

7 Sec. 232. Tax credit for agritourism liability insurance.

8 (a) For taxable years beginning on or after January 1,
9 2022 and ending on or before December 31, 2023, any individual
10 or entity that operates an agritourism operation in the State
11 during the taxable year shall be entitled to a tax credit
12 against the tax imposed by subsections (a) and (b) of Section
13 201 equal to the lesser of 100% of the liability insurance
14 premiums paid by that individual or entity during the taxable
15 year or \$1,000. To claim the credit, the taxpayer must apply to
16 the Department of Agriculture for a certificate of credit in
17 the form and manner required by the Department of Agriculture
18 by rule. If granted, the taxpayer shall attach a copy of the
19 certificate of credit to his or her Illinois income tax return
20 for the taxable year. The total amount of credits that may be
21 awarded by the Department of Agriculture may not exceed
22 \$1,000,000 in any calendar year.

23 (b) For the purposes of this Section:

24 "Agricultural property" means property that is used in

1 whole or in part for production agriculture, as defined in
2 Section 3-35 of the Use Tax Act, or used in connection with one
3 or more of the following:

4 (1) the growing and harvesting of crops;

5 (2) the feeding, breeding, and management of
6 livestock;

7 (3) dairying or any other agricultural or
8 horticultural use or combination of those uses, including,
9 but not limited to, the harvesting of hay, grain, fruit,
10 or truck or vegetable crops, or floriculture, mushroom
11 growing, plant or tree nurseries, orchards, forestry, sod
12 farming, or greenhouses; or

13 (4) the keeping, raising, and feeding of livestock or
14 poultry, including dairying, poultry, swine, sheep, beef
15 cattle, ponies or horses, fur farming, bees, fish and
16 wildlife farming.

17 "Agritourism activities" includes, but is not limited to,
18 the following:

19 (1) historic, cultural, and on-site educational
20 programs;

21 (2) guided and self-guided tours, including school
22 tours;

23 (3) animal exhibitions or petting zoos;

24 (4) agricultural crop mazes, such as corn or flower
25 mazes;

26 (5) harvest-your-own or U-pick operations;

1 (6) horseback or pony rides; and

2 (7) hayrides or sleigh rides.

3 "Agritourism activities" does not include the following
4 activities:

5 (1) hunting;

6 (2) fishing;

7 (3) amusement rides;

8 (4) rodeos;

9 (5) off-road biking or motorized off-highway or
10 all-terrain vehicle activities;

11 (6) boating, swimming, canoeing, hiking, camping,
12 skiing, bounce houses, or similar activities; or

13 (7) entertainment venues such as weddings or concerts.

14 "Agritourism operation" means an individual or entity that
15 carries out agricultural activities on agricultural property
16 and allows members of the general public, for recreational,
17 entertainment, or educational purposes, to view or enjoy those
18 activities.

19 (c) If the taxpayer is a partnership or Subchapter S
20 corporation, the credit shall be allowed to the partners or
21 shareholders in accordance with the determination of income
22 and distributive share of income under Sections 702 and 704
23 and Subchapter S of the Internal Revenue Code.

24 (d) In no event shall a credit under this Section reduce
25 the taxpayer's liability to less than zero. If the amount of
26 the credit exceeds the tax liability for the year, the excess

1 may be carried forward and applied to the tax liability of the
2 5 taxable years following the excess credit year. The tax
3 credit shall be applied to the earliest year for which there is
4 a tax liability. If there are credits for more than one year
5 that are available to offset a liability, the earlier credit
6 shall be applied first.

7 ARTICLE 100. PARKING EXCISE TAX

8 Section 100-5. The Parking Excise Tax Act is amended by
9 changing Section 10-5 as follows:

10 (35 ILCS 525/10-5)

11 Sec. 10-5. Definitions. As used in this Act:

12 ~~"Booking intermediary" means any person or entity that~~
13 ~~facilitates the processing and fulfillment of reservation~~
14 ~~transactions between an operator and a person or entity~~
15 ~~desiring parking in a parking lot or garage of that operator.~~

16 ~~"Charge or fee paid for parking" means the gross amount of~~
17 ~~consideration for the use or privilege of parking a motor~~
18 ~~vehicle in or upon any parking lot or garage in the State,~~
19 ~~collected by an operator and valued in money, whether received~~
20 ~~in money or otherwise, including cash, credits, property, and~~
21 ~~services, determined without any deduction for costs or~~
22 ~~expenses, but not including charges that are added to the~~
23 ~~charge or fee on account of the tax imposed by this Act or on~~

1 ~~account of any other tax imposed on the charge or fee. "Charge~~
2 ~~or fee paid for parking" excludes separately stated charges~~
3 ~~not for the use or privilege of parking and excludes amounts~~
4 ~~retained by or paid to a booking intermediary for services~~
5 ~~provided by the booking intermediary. If any separately stated~~
6 ~~charge is not optional, it shall be presumed that it is part of~~
7 ~~the charge for the use or privilege of parking.~~

8 "Department" means the Department of Revenue.

9 "Operator" means any person who engages in the business of
10 operating a parking area or garage, or who, directly or
11 through an agreement or arrangement with another party,
12 collects the consideration for parking or storage of motor
13 vehicles, recreational vehicles, or other self-propelled
14 vehicles, at that parking place. This includes, but is not
15 limited to, any facilitator or aggregator that collects the
16 purchase price from the purchaser ~~the charge or fee paid for~~
17 ~~parking~~. "Operator" does not include a bank, credit card
18 company, payment processor, ~~booking intermediary~~, or person
19 whose involvement is limited to performing functions that are
20 similar to those performed by a bank, credit card company, or
21 ~~payment processor, or booking intermediary~~.

22 "Parking area or garage" means any real estate, building,
23 structure, premises, enclosure or other place, whether
24 enclosed or not, except a public way, within the State, where
25 motor vehicles, recreational vehicles, or other self-propelled
26 vehicles, are stored, housed or parked for hire, charge, fee

1 or other valuable consideration in a condition ready for use,
2 or where rent or compensation is paid to the owner, manager,
3 operator or lessee of the premises for the housing, storing,
4 sheltering, keeping or maintaining motor vehicles,
5 recreational vehicles, or other self-propelled vehicles.
6 "Parking area or garage" includes any parking area or garage,
7 whether the vehicle is parked by the owner of the vehicle or by
8 the operator or an attendant.

9 "Person" means any natural individual, firm, trust,
10 estate, partnership, association, joint stock company, joint
11 venture, corporation, limited liability company, or a
12 receiver, trustee, guardian, or other representative appointed
13 by order of any court.

14 "Purchase price" means the consideration paid for the
15 purchase of a parking space in a parking area or garage, valued
16 in money, whether received in money or otherwise, including
17 cash, gift cards, credits, and property, and shall be
18 determined without any deduction on account of the cost of
19 materials used, labor or service costs, or any other expense
20 whatsoever.

21 "Purchase price" includes any and all charges that the
22 recipient pays related to or incidental to obtaining the use
23 or privilege of using a parking space in a parking area or
24 garage, including but not limited to any and all related
25 markups, service fees, convenience fees, facilitation fees,
26 cancellation fees, overtime fees, or other such charges,

1 regardless of terminology. However, "purchase price" shall not
2 include consideration paid for:

3 (1) optional, separately stated charges not for the
4 use or privilege of using a parking space in the parking
5 area or garage;

6 (2) any charge for a dishonored check;

7 (3) any finance or credit charge, penalty or charge
8 for delayed payment, or discount for prompt payment;

9 (4) any purchase by a purchaser if the operator is
10 prohibited by federal or State Constitution, treaty,
11 convention, statute or court decision from collecting the
12 tax from such purchaser;

13 (5) the isolated or occasional sale of parking spaces
14 subject to tax under this Act by a person who does not hold
15 himself out as being engaged (or who does not habitually
16 engage) in selling of parking spaces; and

17 (6) any amounts added to a purchaser's bills because
18 of charges made pursuant to the tax imposed by this Act. If
19 credit is extended, then the amount thereof shall be
20 included only as and when payments are made.

21 "Purchaser" means any person who acquires a parking space
22 in a parking area or garage for use for valuable
23 consideration.

24 "Use" means the exercise by any person of any right or
25 power over, or the enjoyment of, a parking space in a parking
26 area or garage subject to tax under this Act.

1 (Source: P.A. 101-31, eff. 6-28-19.)

2 ARTICLE 105. UNEMPLOYMENT BENEFITS

3 Section 105-5. The Unemployment Insurance Act is amended
4 by changing Sections 401, 403, 703, 1505, 1506.6, and 2100 as
5 follows:

6 (820 ILCS 405/401) (from Ch. 48, par. 401)

7 Sec. 401. Weekly Benefit Amount - Dependents' Allowances.

8 A. With respect to any week beginning in a benefit year
9 beginning prior to January 4, 2004, an individual's weekly
10 benefit amount shall be an amount equal to the weekly benefit
11 amount as defined in the provisions of this Act as amended and
12 in effect on November 18, 2011.

13 B. 1. With respect to any benefit year beginning on or
14 after January 4, 2004 and before January 6, 2008, an
15 individual's weekly benefit amount shall be 48% of his or her
16 prior average weekly wage, rounded (if not already a multiple
17 of one dollar) to the next higher dollar; provided, however,
18 that the weekly benefit amount cannot exceed the maximum
19 weekly benefit amount and cannot be less than \$51. Except as
20 otherwise provided in this Section, with respect to any
21 benefit year beginning on or after January 6, 2008, an
22 individual's weekly benefit amount shall be 47% of his or her
23 prior average weekly wage, rounded (if not already a multiple

1 of one dollar) to the next higher dollar; provided, however,
2 that the weekly benefit amount cannot exceed the maximum
3 weekly benefit amount and cannot be less than \$51. With
4 respect to any benefit year beginning on or after January 1,
5 2023 and before January 1, 2024 ~~July 3, 2022~~, an individual's
6 weekly benefit amount shall be 42.4% of his or her prior
7 average weekly wage, rounded (if not already a multiple of one
8 dollar) to the next higher dollar; provided, however, that the
9 weekly benefit amount cannot exceed the maximum weekly benefit
10 amount and cannot be less than \$51.

11 2. For the purposes of this subsection:

12 An individual's "prior average weekly wage" means the
13 total wages for insured work paid to that individual during
14 the 2 calendar quarters of his base period in which such total
15 wages were highest, divided by 26. If the quotient is not
16 already a multiple of one dollar, it shall be rounded to the
17 nearest dollar; however if the quotient is equally near 2
18 multiples of one dollar, it shall be rounded to the higher
19 multiple of one dollar.

20 "Determination date" means June 1 and December 1 of each
21 calendar year except that, for the purposes of this Act only,
22 there shall be no June 1 determination date in any year.

23 "Determination period" means, with respect to each June 1
24 determination date, the 12 consecutive calendar months ending
25 on the immediately preceding December 31 and, with respect to
26 each December 1 determination date, the 12 consecutive

1 calendar months ending on the immediately preceding June 30.

2 "Benefit period" means the 12 consecutive calendar month
3 period beginning on the first day of the first calendar month
4 immediately following a determination date, except that, with
5 respect to any calendar year in which there is a June 1
6 determination date, "benefit period" shall mean the 6
7 consecutive calendar month period beginning on the first day
8 of the first calendar month immediately following the
9 preceding December 1 determination date and the 6 consecutive
10 calendar month period beginning on the first day of the first
11 calendar month immediately following the June 1 determination
12 date.

13 "Gross wages" means all the wages paid to individuals
14 during the determination period immediately preceding a
15 determination date for insured work, and reported to the
16 Director by employers prior to the first day of the third
17 calendar month preceding that date.

18 "Covered employment" for any calendar month means the
19 total number of individuals, as determined by the Director,
20 engaged in insured work at mid-month.

21 "Average monthly covered employment" means one-twelfth of
22 the sum of the covered employment for the 12 months of a
23 determination period.

24 "Statewide average annual wage" means the quotient,
25 obtained by dividing gross wages by average monthly covered
26 employment for the same determination period, rounded (if not

1 already a multiple of one cent) to the nearest cent.

2 "Statewide average weekly wage" means the quotient,
3 obtained by dividing the statewide average annual wage by 52,
4 rounded (if not already a multiple of one cent) to the nearest
5 cent. Notwithstanding any provision of this Section to the
6 contrary, the statewide average weekly wage for any benefit
7 period prior to calendar year 2012 shall be as determined by
8 the provisions of this Act as amended and in effect on November
9 18, 2011. Notwithstanding any provisions of this Section to
10 the contrary, the statewide average weekly wage for the
11 benefit period of calendar year 2012 shall be \$856.55 and for
12 each calendar year thereafter, the statewide average weekly
13 wage shall be the statewide average weekly wage, as determined
14 in accordance with this sentence, for the immediately
15 preceding benefit period plus (or minus) an amount equal to
16 the percentage change in the statewide average weekly wage, as
17 computed in accordance with the first sentence of this
18 paragraph, between the 2 immediately preceding benefit
19 periods, multiplied by the statewide average weekly wage, as
20 determined in accordance with this sentence, for the
21 immediately preceding benefit period. However, for purposes of
22 the Workers' Compensation Act, the statewide average weekly
23 wage will be computed using June 1 and December 1
24 determination dates of each calendar year and such
25 determination shall not be subject to the limitation of the
26 statewide average weekly wage as computed in accordance with

1 the preceding sentence of this paragraph.

2 With respect to any week beginning in a benefit year
3 beginning prior to January 4, 2004, "maximum weekly benefit
4 amount" with respect to each week beginning within a benefit
5 period shall be as defined in the provisions of this Act as
6 amended and in effect on November 18, 2011.

7 With respect to any benefit year beginning on or after
8 January 4, 2004 and before January 6, 2008, "maximum weekly
9 benefit amount" with respect to each week beginning within a
10 benefit period means 48% of the statewide average weekly wage,
11 rounded (if not already a multiple of one dollar) to the next
12 higher dollar.

13 Except as otherwise provided in this Section, with respect
14 to any benefit year beginning on or after January 6, 2008,
15 "maximum weekly benefit amount" with respect to each week
16 beginning within a benefit period means 47% of the statewide
17 average weekly wage, rounded (if not already a multiple of one
18 dollar) to the next higher dollar.

19 With respect to any benefit year beginning on or after
20 January 1, 2023 and before January 1, 2024 ~~July 3, 2022,~~
21 "maximum weekly benefit amount" with respect to each week
22 beginning within a benefit period means 42.4% of the statewide
23 average weekly wage, rounded (if not already a multiple of one
24 dollar) to the next higher dollar.

25 C. With respect to any week beginning in a benefit year
26 beginning prior to January 4, 2004, an individual's

1 eligibility for a dependent allowance with respect to a
2 nonworking spouse or one or more dependent children shall be
3 as defined by the provisions of this Act as amended and in
4 effect on November 18, 2011.

5 With respect to any benefit year beginning on or after
6 January 4, 2004 and before January 6, 2008, an individual to
7 whom benefits are payable with respect to any week shall, in
8 addition to those benefits, be paid, with respect to such
9 week, as follows: in the case of an individual with a
10 nonworking spouse, 9% of his or her prior average weekly wage,
11 rounded (if not already a multiple of one dollar) to the next
12 higher dollar, provided, that the total amount payable to the
13 individual with respect to a week shall not exceed 57% of the
14 statewide average weekly wage, rounded (if not already a
15 multiple of one dollar) to the next higher dollar; and in the
16 case of an individual with a dependent child or dependent
17 children, 17.2% of his or her prior average weekly wage,
18 rounded (if not already a multiple of one dollar) to the next
19 higher dollar, provided that the total amount payable to the
20 individual with respect to a week shall not exceed 65.2% of the
21 statewide average weekly wage, rounded (if not already a
22 multiple of one dollar) to the next higher dollar.

23 With respect to any benefit year beginning on or after
24 January 6, 2008 and before January 1, 2010, an individual to
25 whom benefits are payable with respect to any week shall, in
26 addition to those benefits, be paid, with respect to such

1 week, as follows: in the case of an individual with a
2 nonworking spouse, 9% of his or her prior average weekly wage,
3 rounded (if not already a multiple of one dollar) to the next
4 higher dollar, provided, that the total amount payable to the
5 individual with respect to a week shall not exceed 56% of the
6 statewide average weekly wage, rounded (if not already a
7 multiple of one dollar) to the next higher dollar; and in the
8 case of an individual with a dependent child or dependent
9 children, 18.2% of his or her prior average weekly wage,
10 rounded (if not already a multiple of one dollar) to the next
11 higher dollar, provided that the total amount payable to the
12 individual with respect to a week shall not exceed 65.2% of the
13 statewide average weekly wage, rounded (if not already a
14 multiple of one dollar) to the next higher dollar.

15 The additional amount paid pursuant to this subsection in
16 the case of an individual with a dependent child or dependent
17 children shall be referred to as the "dependent child
18 allowance", and the percentage rate by which an individual's
19 prior average weekly wage is multiplied pursuant to this
20 subsection to calculate the dependent child allowance shall be
21 referred to as the "dependent child allowance rate".

22 Except as otherwise provided in this Section, with respect
23 to any benefit year beginning on or after January 1, 2010, an
24 individual to whom benefits are payable with respect to any
25 week shall, in addition to those benefits, be paid, with
26 respect to such week, as follows: in the case of an individual

1 with a nonworking spouse, the greater of (i) 9% of his or her
2 prior average weekly wage, rounded (if not already a multiple
3 of one dollar) to the next higher dollar, or (ii) \$15, provided
4 that the total amount payable to the individual with respect
5 to a week shall not exceed 56% of the statewide average weekly
6 wage, rounded (if not already a multiple of one dollar) to the
7 next higher dollar; and in the case of an individual with a
8 dependent child or dependent children, the greater of (i) the
9 product of the dependent child allowance rate multiplied by
10 his or her prior average weekly wage, rounded (if not already a
11 multiple of one dollar) to the next higher dollar, or (ii) the
12 lesser of \$50 or 50% of his or her weekly benefit amount,
13 rounded (if not already a multiple of one dollar) to the next
14 higher dollar, provided that the total amount payable to the
15 individual with respect to a week shall not exceed the product
16 of the statewide average weekly wage multiplied by the sum of
17 47% plus the dependent child allowance rate, rounded (if not
18 already a multiple of one dollar) to the next higher dollar.

19 With respect to any benefit year beginning on or after
20 January 1, 2023 and before January 1, 2024 ~~July 3, 2022~~, an
21 individual to whom benefits are payable with respect to any
22 week shall, in addition to those benefits, be paid, with
23 respect to such week, as follows: in the case of an individual
24 with a nonworking spouse, the greater of (i) 9% of his or her
25 prior average weekly wage, rounded (if not already a multiple
26 of one dollar) to the next higher dollar, or (ii) \$15, provided

1 that the total amount payable to the individual with respect
2 to a week shall not exceed 51.4% of the statewide average
3 weekly wage, rounded (if not already a multiple of one dollar)
4 to the next higher dollar; and in the case of an individual
5 with a dependent child or dependent children, the greater of
6 (i) the product of the dependent child allowance rate
7 multiplied by his or her prior average weekly wage, rounded
8 (if not already a multiple of one dollar) to the next higher
9 dollar, or (ii) the lesser of \$50 or 50% of his or her weekly
10 benefit amount, rounded (if not already a multiple of one
11 dollar) to the next higher dollar, provided that the total
12 amount payable to the individual with respect to a week shall
13 not exceed the product of the statewide average weekly wage
14 multiplied by the sum of 42.4% plus the dependent child
15 allowance rate, rounded (if not already a multiple of one
16 dollar) to the next higher dollar.

17 With respect to each benefit year beginning after calendar
18 year 2012, the dependent child allowance rate shall be the sum
19 of the allowance adjustment applicable pursuant to Section
20 1400.1 to the calendar year in which the benefit year begins,
21 plus the dependent child allowance rate with respect to each
22 benefit year beginning in the immediately preceding calendar
23 year, except as otherwise provided in this subsection. The
24 dependent child allowance rate with respect to each benefit
25 year beginning in calendar year 2010 shall be 17.9%. The
26 dependent child allowance rate with respect to each benefit

1 year beginning in calendar year 2011 shall be 17.4%. The
2 dependent child allowance rate with respect to each benefit
3 year beginning in calendar year 2012 shall be 17.0% and, with
4 respect to each benefit year beginning after calendar year
5 2012, shall not be less than 17.0% or greater than 17.9%.

6 For the purposes of this subsection:

7 "Dependent" means a child or a nonworking spouse.

8 "Child" means a natural child, stepchild, or adopted child
9 of an individual claiming benefits under this Act or a child
10 who is in the custody of any such individual by court order,
11 for whom the individual is supplying and, for at least 90
12 consecutive days (or for the duration of the parental
13 relationship if it has existed for less than 90 days)
14 immediately preceding any week with respect to which the
15 individual has filed a claim, has supplied more than one-half
16 the cost of support, or has supplied at least 1/4 of the cost
17 of support if the individual and the other parent, together,
18 are supplying and, during the aforesaid period, have supplied
19 more than one-half the cost of support, and are, and were
20 during the aforesaid period, members of the same household;
21 and who, on the first day of such week (a) is under 18 years of
22 age, or (b) is, and has been during the immediately preceding
23 90 days, unable to work because of illness or other
24 disability: provided, that no person who has been determined
25 to be a child of an individual who has been allowed benefits
26 with respect to a week in the individual's benefit year shall

1 be deemed to be a child of the other parent, and no other
2 person shall be determined to be a child of such other parent,
3 during the remainder of that benefit year.

4 "Nonworking spouse" means the lawful husband or wife of an
5 individual claiming benefits under this Act, for whom more
6 than one-half the cost of support has been supplied by the
7 individual for at least 90 consecutive days (or for the
8 duration of the marital relationship if it has existed for
9 less than 90 days) immediately preceding any week with respect
10 to which the individual has filed a claim, but only if the
11 nonworking spouse is currently ineligible to receive benefits
12 under this Act by reason of the provisions of Section 500E.

13 An individual who was obligated by law to provide for the
14 support of a child or of a nonworking spouse for the aforesaid
15 period of 90 consecutive days, but was prevented by illness or
16 injury from doing so, shall be deemed to have provided more
17 than one-half the cost of supporting the child or nonworking
18 spouse for that period.

19 (Source: P.A. 101-423, eff. 1-1-20; 101-633, eff. 6-5-20;
20 102-671, eff. 11-30-21.)

21 (820 ILCS 405/403) (from Ch. 48, par. 403)

22 Sec. 403. Maximum total amount of benefits.

23 A. With respect to any benefit year beginning prior to
24 September 30, 1979, any otherwise eligible individual shall be
25 entitled, during such benefit year, to a maximum total amount

1 of benefits as shall be determined in the manner set forth in
2 this Act as amended and in effect on November 9, 1977.

3 B. With respect to any benefit year beginning on or after
4 September 30, 1979, except as otherwise provided in this
5 Section, any otherwise eligible individual shall be entitled,
6 during such benefit year, to a maximum total amount of
7 benefits equal to 26 times his or her weekly benefit amount
8 plus dependents' allowances, or to the total wages for insured
9 work paid to such individual during the individual's base
10 period, whichever amount is smaller. With respect to any
11 benefit year beginning in calendar year 2012, any otherwise
12 eligible individual shall be entitled, during such benefit
13 year, to a maximum total amount of benefits equal to 25 times
14 his or her weekly benefit amount plus dependents' allowances,
15 or to the total wages for insured work paid to such individual
16 during the individual's base period, whichever amount is
17 smaller. With respect to any benefit year beginning on or
18 after January 1, 2023 and before January 1, 2024 ~~July 3, 2022,~~
19 any otherwise eligible individual shall be entitled, during
20 such benefit year, to a maximum total amount of benefits equal
21 to 24 times his or her weekly benefit amount plus dependents'
22 allowances, or to the total wages for insured work paid to such
23 individual during the individual's base period, whichever
24 amount is smaller.

25 (Source: P.A. 101-423, eff. 1-1-20; 102-671, eff. 11-30-21.)

1 (820 ILCS 405/703) (from Ch. 48, par. 453)

2 Sec. 703. Reconsideration of findings or determinations.
3 The claims adjudicator may reconsider his finding at any time
4 within thirteen weeks after the close of the benefit year. He
5 may reconsider his determination at any time within one year
6 after the last day of the week for which the determination was
7 made, except that if the issue is whether or not, by reason of
8 a back pay award made by any governmental agency or pursuant to
9 arbitration proceedings, or by reason of a payment of wages
10 wrongfully withheld by an employing unit, an individual has
11 received wages for a week with respect to which he or she has
12 received benefits ~~or if the issue is whether or not the~~
13 ~~claimant misstated his earnings for the week,~~ such
14 reconsidered determination may be made at any time within 3
15 years after the last day of the week, or if the issue is
16 whether or not an individual misstated earnings for any week
17 beginning on or after March 15, 2020, such reconsidered
18 determination may be made at any time within 5 years after the
19 last day of the week. No finding or determination shall be
20 reconsidered at any time after appeal therefrom has been taken
21 pursuant to the provisions of Section 800, except where a case
22 has been remanded to the claims adjudicator by a Referee, the
23 Director or the Board of Review, and except, further, that if
24 an issue as to whether or not the claimant misstated his
25 earnings is newly discovered, the determination may be
26 reconsidered after and notwithstanding the fact that the

1 decision upon the appeal has become final. Notice of such
2 reconsidered determination or reconsidered finding shall be
3 promptly given to the parties entitled to notice of the
4 original determination or finding, as the case may be, in the
5 same manner as is prescribed therefor, and such reconsidered
6 determination or reconsidered finding shall be subject to
7 appeal in the same manner and shall be given the same effect as
8 is provided for an original determination or finding.

9 The changes made by this amendatory Act of the 102nd
10 General Assembly apply retroactively to March 15, 2020.

11 (Source: P.A. 92-396, eff. 1-1-02.)

12 (820 ILCS 405/1505) (from Ch. 48, par. 575)

13 Sec. 1505. Adjustment of state experience factor. The
14 state experience factor shall be adjusted in accordance with
15 the following provisions:

16 A. For calendar years prior to 1988, the state experience
17 factor shall be adjusted in accordance with the provisions of
18 this Act as amended and in effect on November 18, 2011.

19 B. (Blank).

20 C. For calendar year 1988 and each calendar year
21 thereafter, for which the state experience factor is being
22 determined.

23 1. For every \$50,000,000 (or fraction thereof) by
24 which the adjusted trust fund balance falls below the
25 target balance set forth in this subsection, the state

1 experience factor for the succeeding year shall be
2 increased one percent absolute.

3 For every \$50,000,000 (or fraction thereof) by which
4 the adjusted trust fund balance exceeds the target balance
5 set forth in this subsection, the state experience factor
6 for the succeeding year shall be decreased by one percent
7 absolute.

8 The target balance in each calendar year prior to 2003
9 is \$750,000,000. The target balance in calendar year 2003
10 is \$920,000,000. The target balance in calendar year 2004
11 is \$960,000,000. The target balance in calendar year 2005
12 and each calendar year thereafter is \$1,000,000,000.

13 2. For the purposes of this subsection:

14 "Net trust fund balance" is the amount standing to the
15 credit of this State's account in the unemployment trust
16 fund as of June 30 of the calendar year immediately
17 preceding the year for which a state experience factor is
18 being determined.

19 "Adjusted trust fund balance" is the net trust fund
20 balance minus the sum of the benefit reserves for fund
21 building for July 1, 1987 through June 30 of the year prior
22 to the year for which the state experience factor is being
23 determined. The adjusted trust fund balance shall not be
24 less than zero. If the preceding calculation results in a
25 number which is less than zero, the amount by which it is
26 less than zero shall reduce the sum of the benefit

1 reserves for fund building for subsequent years.

2 For the purpose of determining the state experience
3 factor for 1989 and for each calendar year thereafter, the
4 following "benefit reserves for fund building" shall apply
5 for each state experience factor calculation in which that
6 12 month period is applicable:

7 a. For the 12 month period ending on June 30, 1988,
8 the "benefit reserve for fund building" shall be
9 8/104th of the total benefits paid from January 1,
10 1988 through June 30, 1988.

11 b. For the 12 month period ending on June 30, 1989,
12 the "benefit reserve for fund building" shall be the
13 sum of:

14 i. 8/104ths of the total benefits paid from
15 July 1, 1988 through December 31, 1988, plus

16 ii. 4/108ths of the total benefits paid from
17 January 1, 1989 through June 30, 1989.

18 c. For the 12 month period ending on June 30, 1990,
19 the "benefit reserve for fund building" shall be
20 4/108ths of the total benefits paid from July 1, 1989
21 through December 31, 1989.

22 d. For 1992 and for each calendar year thereafter,
23 the "benefit reserve for fund building" for the 12
24 month period ending on June 30, 1991 and for each
25 subsequent 12 month period shall be zero.

26 3. Notwithstanding the preceding provisions of this

1 subsection, for calendar years 1988 through 2003, the
2 state experience factor shall not be increased or
3 decreased by more than 15 percent absolute.

4 D. Notwithstanding the provisions of subsection C, the
5 adjusted state experience factor:

6 1. Shall be 111 percent for calendar year 1988;

7 2. Shall not be less than 75 percent nor greater than
8 135 percent for calendar years 1989 through 2003; and
9 shall not be less than 75% nor greater than 150% for
10 calendar year 2004 and each calendar year thereafter, not
11 counting any increase pursuant to subsection D-1, D-2, or
12 D-3;

13 3. Shall not be decreased by more than 5 percent
14 absolute for any calendar year, beginning in calendar year
15 1989 and through calendar year 1992, by more than 6%
16 absolute for calendar years 1993 through 1995, by more
17 than 10% absolute for calendar years 1999 through 2003 and
18 by more than 12% absolute for calendar year 2004 and each
19 calendar year thereafter, from the adjusted state
20 experience factor of the calendar year preceding the
21 calendar year for which the adjusted state experience
22 factor is being determined;

23 4. Shall not be increased by more than 15% absolute
24 for calendar year 1993, by more than 14% absolute for
25 calendar years 1994 and 1995, by more than 10% absolute
26 for calendar years 1999 through 2003 and by more than 16%

1 absolute for calendar year 2004 and each calendar year
2 thereafter, from the adjusted state experience factor for
3 the calendar year preceding the calendar year for which
4 the adjusted state experience factor is being determined;

5 5. Shall be 100% for calendar years 1996, 1997, and
6 1998.

7 D-1. The adjusted state experience factor for each of
8 calendar years 2013 through 2015 shall be increased by 5%
9 absolute above the adjusted state experience factor as
10 calculated without regard to this subsection. The adjusted
11 state experience factor for each of calendar years 2016
12 through 2018 shall be increased by 6% absolute above the
13 adjusted state experience factor as calculated without regard
14 to this subsection. The increase in the adjusted state
15 experience factor for calendar year 2018 pursuant to this
16 subsection shall not be counted for purposes of applying
17 paragraph 3 or 4 of subsection D to the calculation of the
18 adjusted state experience factor for calendar year 2019.

19 D-2. (Blank).

20 D-3. The adjusted state experience factor for ~~the portion~~
21 ~~of~~ calendar year 2023 ~~2022 beginning July 3, 2022~~ shall be
22 increased by 16% absolute above the adjusted state experience
23 factor as calculated without regard to this subsection. The
24 increase in the adjusted state experience factor for ~~the~~
25 ~~portion of~~ calendar year 2023 ~~2022 beginning July 3, 2022~~
26 pursuant to this subsection shall not be counted for purposes

1 of applying paragraph 3 or 4 of subsection D to the calculation
2 of the adjusted state experience factor for calendar year 2024
3 ~~2023~~.

4 E. The amount standing to the credit of this State's
5 account in the unemployment trust fund as of June 30 shall be
6 deemed to include as part thereof (a) any amount receivable on
7 that date from any Federal governmental agency, or as a
8 payment in lieu of contributions under the provisions of
9 Sections 1403 and 1405 B and paragraph 2 of Section 302C, in
10 reimbursement of benefits paid to individuals, and (b) amounts
11 credited by the Secretary of the Treasury of the United States
12 to this State's account in the unemployment trust fund
13 pursuant to Section 903 of the Federal Social Security Act, as
14 amended, including any such amounts which have been
15 appropriated by the General Assembly in accordance with the
16 provisions of Section 2100 B for expenses of administration,
17 except any amounts which have been obligated on or before that
18 date pursuant to such appropriation.

19 (Source: P.A. 101-423, eff. 1-1-20; 101-633, eff. 6-5-20;
20 102-671, eff. 11-30-21.)

21 (820 ILCS 405/1506.6)

22 Sec. 1506.6. Surcharge; specified period. For each
23 employer whose contribution rate for calendar year 2023 ~~2022~~
24 is determined pursuant to Section 1500 or 1506.1, in addition
25 to the contribution rate established pursuant to Section

1 1506.3, ~~for the portion of calendar year 2022 beginning July~~
2 ~~3, 2022,~~ an additional surcharge of 0.325% shall be added to
3 the contribution rate. The surcharge established by this
4 Section shall be due at the same time as other contributions
5 with respect to the quarter are due, as provided in Section
6 1400. Payments attributable to the surcharge established
7 pursuant to this Section shall be contributions and deposited
8 into the clearing account.

9 (Source: P.A. 101-423, eff. 1-1-20; 101-633, eff. 6-5-20;
10 102-671, eff. 11-30-21.)

11 (820 ILCS 405/2100) (from Ch. 48, par. 660)

12 Sec. 2100. Handling of funds - Bond - Accounts.

13 A. All contributions and payments in lieu of contributions
14 collected under this Act, including but not limited to fund
15 building receipts and receipts attributable to the surcharge
16 established pursuant to Section 1506.5, together with any
17 interest thereon; all penalties collected pursuant to this
18 Act; any property or securities acquired through the use
19 thereof; all moneys advanced to this State's account in the
20 unemployment trust fund pursuant to the provisions of Title
21 XII of the Social Security Act, as amended; all moneys
22 directed for transfer from the Master Bond Fund or the Title
23 XII Interest Fund to this State's account in the unemployment
24 trust fund; all moneys received from the Federal government as
25 reimbursements pursuant to Section 204 of the Federal-State

1 Extended Unemployment Compensation Act of 1970, as amended;
2 all moneys credited to this State's account in the
3 unemployment trust fund pursuant to Section 903 of the Federal
4 Social Security Act, as amended; all administrative fees
5 collected from individuals pursuant to Section 900 or from
6 employing units pursuant to Section 2206.1; funds directed for
7 deposit into the State's account in the Unemployment Trust
8 Fund from any other source; and all earnings of such property
9 or securities and any interest earned upon any such moneys
10 shall be paid or turned over to the Department and held by the
11 Director, as ex-officio custodian of the clearing account, the
12 unemployment trust fund account and the benefit account, and
13 by the State Treasurer, as ex-officio custodian of the special
14 administrative account, separate and apart from all public
15 moneys or funds of this State, as hereinafter provided. Such
16 moneys shall be administered by the Director exclusively for
17 the purposes of this Act.

18 No such moneys shall be paid or expended except upon the
19 direction of the Director in accordance with such regulations
20 as he shall prescribe pursuant to the provisions of this Act.

21 The State Treasurer shall be liable on his general
22 official bond for the faithful performance of his duties in
23 connection with the moneys in the special administrative
24 account provided for under this Act. Such liability on his
25 official bond shall exist in addition to the liability upon
26 any separate bond given by him. All sums recovered for losses

1 sustained by the account shall be deposited in that account.

2 The Director shall be liable on his general official bond
3 for the faithful performance of his duties in connection with
4 the moneys in the clearing account, the benefit account and
5 unemployment trust fund account provided for under this Act.
6 Such liability on his official bond shall exist in addition to
7 the liability upon any separate bond given by him. All sums
8 recovered for losses sustained by any one of the accounts
9 shall be deposited in the account that sustained such loss.

10 The Treasurer shall maintain for such moneys a special
11 administrative account. The Director shall maintain for such
12 moneys 3 separate accounts: a clearing account, a benefit
13 account, and an unemployment trust fund account. All moneys
14 payable under this Act (except moneys requisitioned from this
15 State's account in the unemployment trust fund and deposited
16 in the benefit account and moneys directed for deposit into
17 the Special Programs Fund provided for under Section 2107),
18 including but not limited to moneys directed for transfer from
19 the Master Bond Fund or the Title XII Interest Fund to this
20 State's account in the unemployment trust fund, upon receipt
21 thereof, shall be immediately deposited in the clearing
22 account; provided, however, that, except as is otherwise
23 provided in this Section, interest and penalties shall not be
24 deemed a part of the clearing account but shall be transferred
25 immediately upon clearance thereof to the special
26 administrative account; further provided that an amount not to

1 exceed \$90,000,000 in payments attributable to the surcharge
2 established pursuant to Section 1506.5, including any interest
3 thereon, shall not be deemed a part of the clearing account but
4 shall be transferred immediately upon clearance thereof to the
5 Title XII Interest Fund.

6 After clearance thereof, all other moneys in the clearing
7 account shall be immediately deposited by the Director with
8 the Secretary of the Treasury of the United States of America
9 to the credit of the account of this State in the unemployment
10 trust fund, established and maintained pursuant to the Federal
11 Social Security Act, as amended, except fund building
12 receipts, which shall be deposited into the Master Bond Fund.
13 The benefit account shall consist of all moneys requisitioned
14 from this State's account in the unemployment trust fund. The
15 moneys in the benefit account shall be expended in accordance
16 with regulations prescribed by the Director and solely for the
17 payment of benefits, refunds of contributions, interest and
18 penalties under the provisions of the Act, the payment of
19 health insurance in accordance with Section 410 of this Act,
20 and the transfer or payment of funds to any Federal or State
21 agency pursuant to reciprocal arrangements entered into by the
22 Director under the provisions of Section 2700E, except that
23 moneys credited to this State's account in the unemployment
24 trust fund pursuant to Section 903 of the Federal Social
25 Security Act, as amended, shall be used exclusively as
26 provided in subsection B. For purposes of this Section only,

1 to the extent allowed by applicable legal requirements, the
2 payment of benefits includes but is not limited to the payment
3 of principal on any bonds issued pursuant to the Illinois
4 Unemployment Insurance Trust Fund Financing Act, exclusive of
5 any interest or administrative expenses in connection with the
6 bonds. The Director shall, from time to time, requisition from
7 the unemployment trust fund such amounts, not exceeding the
8 amounts standing to the State's account therein, as he deems
9 necessary solely for the payment of such benefits, refunds,
10 and funds, for a reasonable future period. The Director, as
11 ex-officio custodian of the benefit account, which shall be
12 kept separate and apart from all other public moneys, shall
13 issue payment of such benefits, refunds, health insurance and
14 funds solely from the moneys so received into the benefit
15 account. However, after January 1, 1987, no payment shall be
16 drawn on such benefit account unless at the time of drawing
17 there is sufficient money in the account to make the payment.
18 The Director shall retain in the clearing account an amount of
19 interest and penalties equal to the amount of interest and
20 penalties to be refunded from the benefit account. After
21 clearance thereof, the amount so retained shall be immediately
22 deposited by the Director, as are all other moneys in the
23 clearing account, with the Secretary of the Treasury of the
24 United States. If, at any time, an insufficient amount of
25 interest and penalties is available for retention in the
26 clearing account, no refund of interest or penalties shall be

1 made from the benefit account until a sufficient amount is
2 available for retention and is so retained, or until the State
3 Treasurer, upon the direction of the Director, transfers to
4 the Director a sufficient amount from the special
5 administrative account, for immediate deposit in the benefit
6 account.

7 Any balance of moneys requisitioned from the unemployment
8 trust fund which remains unclaimed or unpaid in the benefit
9 account after the expiration of the period for which such sums
10 were requisitioned shall either be deducted from estimates of
11 and may be utilized for authorized expenditures during
12 succeeding periods, or, in the discretion of the Director,
13 shall be redeposited with the Secretary of the Treasury of the
14 United States to the credit of the State's account in the
15 unemployment trust fund.

16 Moneys in the clearing, benefit and special administrative
17 accounts shall not be commingled with other State funds but
18 they shall be deposited as required by law and maintained in
19 separate accounts on the books of a savings and loan
20 association or bank.

21 No bank or savings and loan association shall receive
22 public funds as permitted by this Section, unless it has
23 complied with the requirements established pursuant to Section
24 6 of "An Act relating to certain investments of public funds by
25 public agencies", approved July 23, 1943, as now or hereafter
26 amended.

1 B. Moneys credited to the account of this State in the
2 unemployment trust fund by the Secretary of the Treasury of
3 the United States pursuant to Section 903 of the Social
4 Security Act may be requisitioned from this State's account
5 and used as authorized by Section 903. Any interest required
6 to be paid on advances under Title XII of the Social Security
7 Act shall be paid in a timely manner and shall not be paid,
8 directly or indirectly, by an equivalent reduction in
9 contributions or payments in lieu of contributions from
10 amounts in this State's account in the unemployment trust
11 fund. Such moneys may be requisitioned and used for the
12 payment of expenses incurred for the administration of this
13 Act, but only pursuant to a specific appropriation by the
14 General Assembly and only if the expenses are incurred and the
15 moneys are requisitioned after the enactment of an
16 appropriation law which:

17 1. Specifies the purpose or purposes for which such
18 moneys are appropriated and the amount or amounts
19 appropriated therefor;

20 2. Limits the period within which such moneys may be
21 obligated to a period ending not more than 2 years after
22 the date of the enactment of the appropriation law; and

23 3. Limits the amount which may be obligated during any
24 fiscal year to an amount which does not exceed the amount
25 by which (a) the aggregate of the amounts transferred to
26 the account of this State pursuant to Section 903 of the

1 Social Security Act exceeds (b) the aggregate of the
2 amounts used by this State pursuant to this Act and
3 charged against the amounts transferred to the account of
4 this State.

5 For purposes of paragraph (3) above, amounts obligated for
6 administrative purposes pursuant to an appropriation shall be
7 chargeable against transferred amounts at the exact time the
8 obligation is entered into. The appropriation, obligation, and
9 expenditure or other disposition of money appropriated under
10 this subsection shall be accounted for in accordance with
11 standards established by the United States Secretary of Labor.

12 Moneys appropriated as provided herein for the payment of
13 expenses of administration shall be requisitioned by the
14 Director as needed for the payment of obligations incurred
15 under such appropriation. Upon requisition, such moneys shall
16 be deposited with the State Treasurer, who shall hold such
17 moneys, as ex-officio custodian thereof, in accordance with
18 the requirements of Section 2103 and, upon the direction of
19 the Director, shall make payments therefrom pursuant to such
20 appropriation. Moneys so deposited shall, until expended,
21 remain a part of the unemployment trust fund and, if any will
22 not be expended, shall be returned promptly to the account of
23 this State in the unemployment trust fund.

24 C. The Governor is authorized to apply to the United
25 States Secretary of Labor for an advance or advances to this
26 State's account in the unemployment trust fund pursuant to the

1 conditions set forth in Title XII of the Federal Social
2 Security Act, as amended. The State's account in the
3 unemployment trust fund is authorized to receive
4 appropriations of State funds from other State accounts to
5 repay any such advance or advances. The amount of any such
6 advance may be repaid from this State's account in the
7 unemployment trust fund.

8 D. The Director shall annually on or before the first day
9 of March report in writing to the Employment Security Advisory
10 Board concerning the deposits into and expenditures from this
11 State's account in the Unemployment Trust Fund.

12 E. The changes made by this amendatory Act of the 102nd
13 General Assembly to subsection A and subsection C clarify
14 authority already provided by law.

15 (Source: P.A. 97-1, eff. 3-31-11; 97-621, eff. 11-18-11;
16 97-791, eff. 1-1-13.)

17 ARTICLE 999. EFFECTIVE DATE

18 Section 999-99. Effective date. This Act takes effect upon
19 becoming law, except that Article 100 takes effect on July 1,
20 2023."